



GCS HOLDINGS, INC

# 2024 Sustainability Report



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## About the report

This report is the first sustainability report issued by GCS Holdings, Inc. (hereinafter referred to as “GCS,” “the Company,” or “we” within this report). The primary purpose of this report is to disclose to the public and stakeholders, the Company’s efforts across three key dimensions: Environmental, Social, and Governance (ESG). This report includes our initiatives, performance outcomes, and future plans.

Through this report, we aim to provide stakeholders with insight into our sustainability efforts and demonstrate our commitment to fulfilling corporate social responsibility and achieving sustainable development.

## Report Scope and Boundaries

The scope of disclosure in this report primarily covers all GCS’s operations in Taiwan (GCS Device Technologies, Co., Ltd) and United States (Global Communication Semiconductors, LLC and D-Tech Optoelectronics, Inc.). Any information related to other regions will be specifically noted within the report.

## Reporting Period

The reporting period covers January 1, 2024, to December 31, 2024.

## Publication Details

The current edition is scheduled for release in August 2025 and will be published on an annual basis.

## Reporting Framework

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards (2021 edition). It also incorporates industry-specific indicators from the Sustainability Accounting Standards Board (SASB) and aligns with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A consolidated GRI Standards and SASB Content Index is provided in the appendix for quick reference and navigation.

## Report Compilation and Approval Process

Relevant information for this report is gathered by various departments and reviewed by their respective heads before submission to the Corporate Sustainability Team for consolidation, compilation, and review. The finalized report is subsequently submitted to the Board of Directors for review and approval prior to publication.

## Restatement of Information

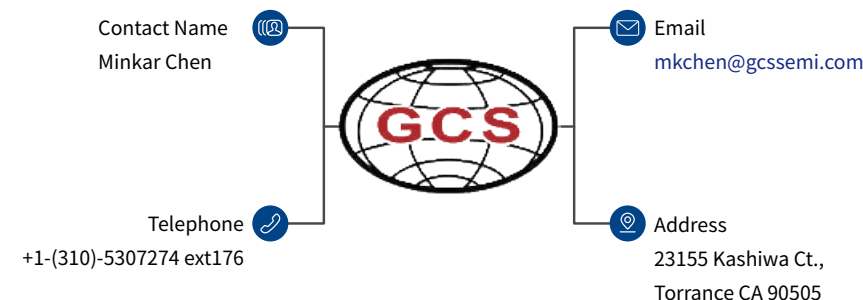
There were no occurrences of information restatement during the reporting year 2024.

## Report Assurance and Verification

This report has been assured by Crowe (TW) CPAs in accordance with the assurance standards issued by the Accounting Research and Development Foundation of the Republic of China, specifically the Assurance Standard 3000 - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. The independent assurance statement issued by the auditors is provided in the appendix.

## Feedback

If you have any feedback or suggestions regarding the content of this report, please feel free to contact us.





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# Message from the Chairperson

## Navigating Challenges, Embracing Sustainability

In the face of recent global economic uncertainties, encompassing the impacts of the pandemic, inflation, and geopolitical tensions, the pace of global economic recovery has slowed, posing numerous challenges to business operations. However, we firmly believe that challenges and opportunities coexist. In particular, the rapid expansion of the market for third-generation compound semiconductor applications presents strong growth momentum for our future development. Guided by innovation as our core driving force, we continue to enhance our products and services while pursuing our long-term vision of sustainable development.

## Operational Strategies for Sustainable Growth

While the Company faces ongoing operational profitability pressures, we continue to develop new products, optimize process technologies, and improve product quality and yield. Simultaneously, we are implementing cost control measures and collaborating with our equity investee companies to expand our customer base and strengthen market competitiveness. Our focus is on reducing investment losses, improving operational efficiency, and achieving long-term profitability to deliver greater value to our shareholders.

## Environmental Sustainability Initiatives

We deeply understand the severe challenges posed by climate change. Therefore, we have implemented numerous energy-saving and carbon-reducing measures throughout our production processes. These include adopting high-efficiency energy-saving equipment to reduce electricity consumption during production, and actively promoting energy-saving and carbon-reduction policies among our employees. Furthermore, we have reduced the use of paper documents by implementing relevant systems and electronic mail, taking concrete actions to protect our planet's resources. Our operational entities comply with local regulations, statistically monitor and control greenhouse gas emissions, water usage, and waste generation. We have also established waste disposal plans to ensure proper management and handling of process waste.

We will assess the potential risks posed by climate change to identify significant climate-related risks and opportunities, analyze the impacts of floods, droughts, typhoons, and high temperatures on our operating locations in Taiwan and the United States, and formulate response plans. For example, we have developed contingency plans to minimize losses from floods that may cause work stoppages and equipment damage. To address drought-related risks to production water supply, we have initiated strategies such as inter-regional water transfer and demand-reduction measures to limit production impacts.

## Low-Carbon Transition and Green Innovation

To support the transition to a low-carbon economy, we are implementing energy-saving and carbon-reduction initiatives, including improving energy efficiency, investing in green energy equipment, and advancing the research and development of low-carbon products. Our R&D teams are collaborating with external research institutions to develop low-carbon and plastic-reduction technologies, reconfigure product components, adopt low-carbon raw materials, and explore green product markets. We also encourage our suppliers to implement climate mitigation and adaptation measures to build a green supply chain and achieve low-carbon development across the entire value chain.

Furthermore, we will set clear greenhouse gas reduction targets covering all aspects from production processes to supply chain management. Based on long-term objectives, we will regularly track indicators such as emission reductions, carbon footprint, and energy efficiency to ensure targets are met on schedule. We are also strengthening corporate governance by transparently disclosing our environmental performance and reinforcing our brand as one that prioritizes climate action, thereby enhancing our sustainable performance ratings.

## Social Responsibility and Labor Relations

While promoting sustainable development, the Company actively fosters a corporate culture that respects, protects, and upholds human rights, promoting healthy and positive labor relations. We provide employees with a friendly working environment, prioritizing their health and career development, and strive for mutual growth between the Company and its employees.

Looking ahead, we will maintain sustainable development as our core principle, integrating economic, environmental, and social responsibility into our development strategies. We will address the external challenges and opportunities, and, while driving corporate growth, create greater value for our shareholders, employees, and society, working together toward a better future.

# CH1

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are arranged in a way that they appear to converge towards the top center of the frame, creating a strong sense of height and architectural scale. The sky is a pale, clear blue, and the lighting suggests a bright, sunny day, with some lens flare visible on the left side of the image.

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# 1.1 Basic Information

## Company Profile and History

GCS Holdings, Inc. (hereinafter referred to as “the Group” or “the Company”) was incorporated in the Cayman Islands on November 30, 2010 in response to the application for Emerging Stock listing and first-time listing in Taiwan. The Company had completed the stock exchange with the shareholders of Global Communication Semiconductors, Inc. (hereinafter referred to as “GCS.C”) in the United States on December 28, 2010, and then became the parent company of GCS.C with 100% shareholding held.

GCS.C was incorporated in Torrance, California, USA in August 1997, and was renamed as “Global Communication Semiconductors, LLC” (hereinafter referred to as “GCS USA”) on January 24, 2011. GCS USA is the Group’s primary operating entity, mainly engaged in GaAs, InP, and GaN advanced RF foundry services and optoelectronic device compound semiconductor wafer foundry operations, as well as related intellectual property licensing. Its activities also include the research, development, production, and sales of branded optoelectronic products.

To support the development of new businesses, the Company incorporated GCS Device Technologies Co., Ltd. on April 23, 2015, to engage in product design and related services.

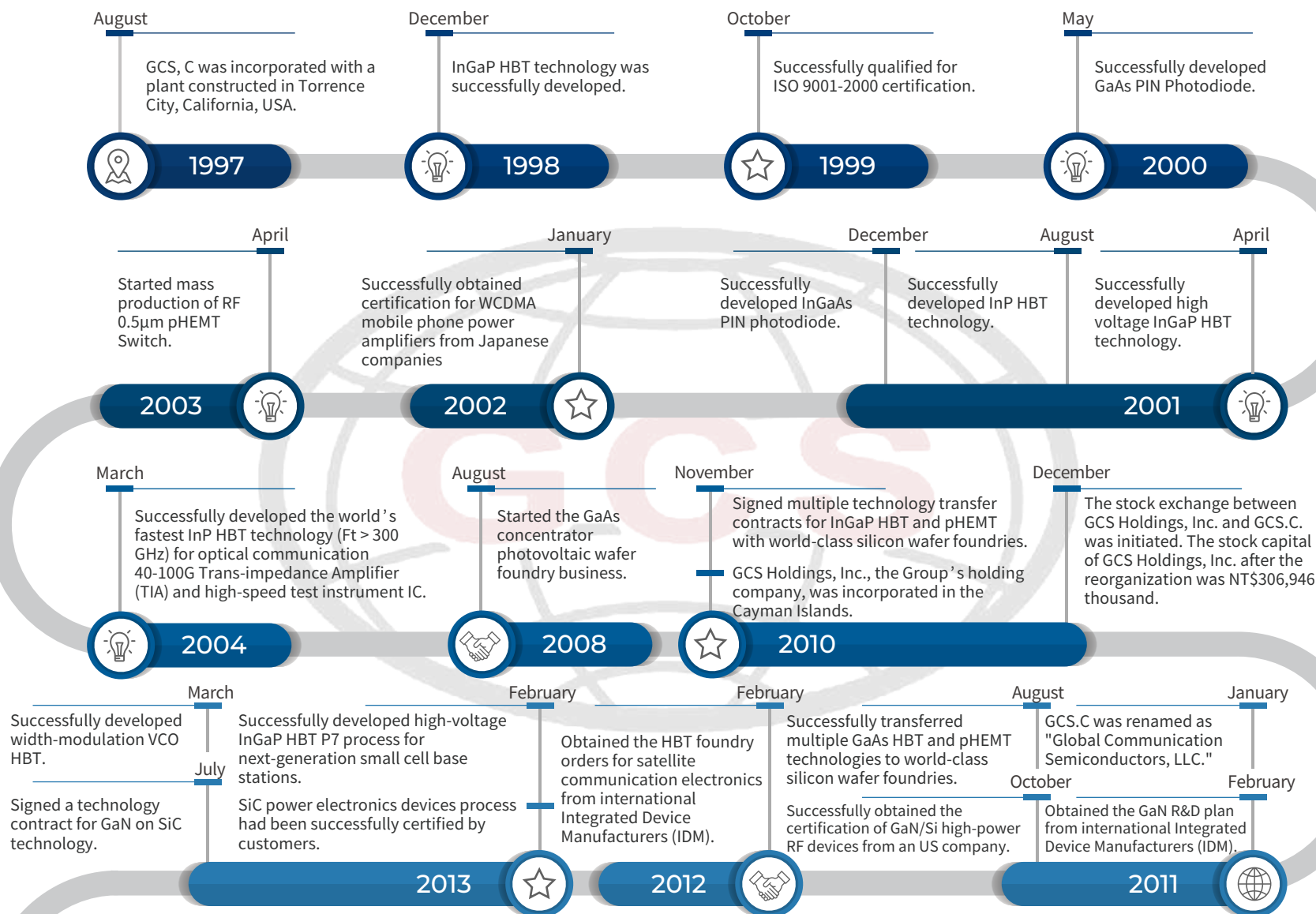
## Basic Information

Item	Content
Official Company Name	GCS HOLDINGS, INC.
Company Address	One Nexus Way, Camana Bay, Grand Cayman, KY1-9005, Cayman Islands
Operating Locations	USA
Operating Address	23155 Kashiwa Ct., Torrance CA 90505
Stock Symbol	GCS HOLDINGS, INC (4991)
Listing Date	September 15, 2014
Industry Category	Semiconductor
Main Business Operations	GCS is mainly engaged in GaAs/InP/GaN advanced RF foundry and optoelectronic device compound semiconductor wafer foundry, related intellectual property rights licensing, and the research, development, production, and sales of branded optoelectronic products.
Chairperson	Huang, Ta-Lun
CEO	Ann, Bau Hsing (Brian Ann)
Spokesperson	Yu, You-Chong
Paid-in Capital	NTD\$1,123,383,620





## Company Development History





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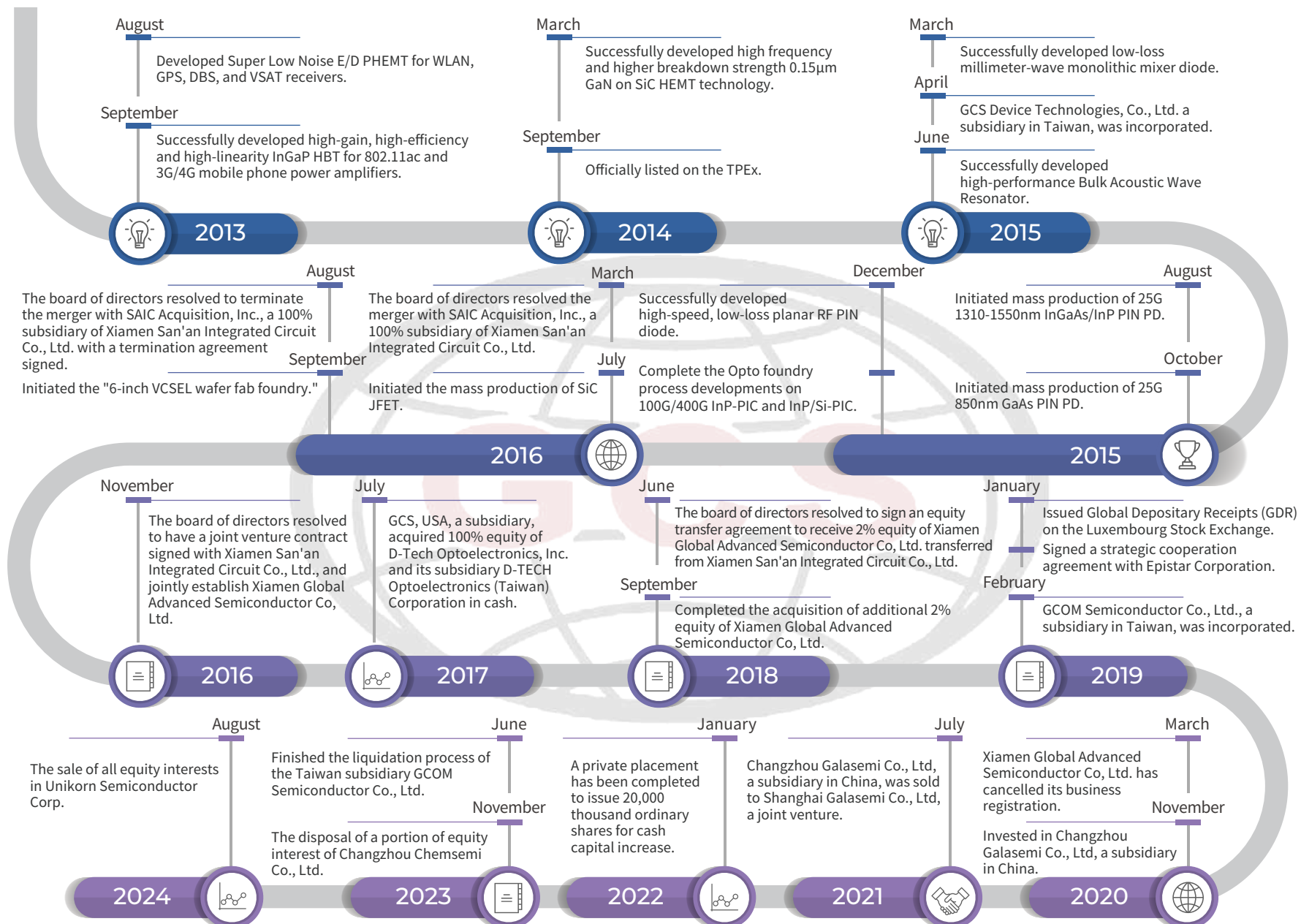
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## Upstream, Midstream, and Downstream Relationships in the Industry

The compound semiconductor industry can generally be classified into compound substrates, epitaxial wafers, IC design, wafer fabrication, package testing, module manufacturing, and system manufacturing. The Company's wireless radio frequency business is currently focused on wafer foundry services. In the optoelectronic segment, in addition to professional wafer foundry operations, the Company is engaged in the research, development, production, and sales of KGD-branded optoelectronic products.

### RF wafer foundry

Industry		Product Items / Process Technology	Domestic Manufacturers	Foreign Manufacturers
Upstream	Epitaxy	• HBT/MOCVD pHEMT/MBE pHEMT/MOCVD	Visual Photonics Epitaxy Co., Ltd (VPEC)	IQE, etc.
	Design	• IC design	Airoha Technology Corp. and Richwave Technology Corp.	M/A-COM, ADI, etc.
Midstream	Foundry	• HBT (3μm, 2μm, 1μm) pHEMT (0.5μm, 0.25μm, 0.15μm) • GaN HEMT (0.5μm, 0.25μm, 0.15μm)	Win Semiconductors Corp., Advanced Wireless Semiconductor Company, and Wavetek Microelectronics Corporation	Qorvo, GCS, and Wolfspeed
Downstream	Package Testing	• Package testing	Tong Hsing Electronic Industries, Ltd. and Giga Solution Tech Co., Ltd.	Most of them are IDMs with package test performed internally
IDMs		• RF IC (From design, production, to package testing are performed internally)	Transcom, Inc. and Hexawave, Inc.	Qorvo, Skyworks, etc.

### Optoelectronic device wafer foundry

Industry		Product Items / Process Technology	Domestic Manufacturers	Foreign Manufacturers
Upstream	Epitaxy	• GaAs \ InGaAs • MOVCD and MBE	Visual Photonics Epitaxy Co., Ltd. (VPEC)	IQE and IET-KY
Midstream	Design	• Device design	-	M/A-COM, etc.
	Foundry	-	Win Semiconductors Corp., etc.	GCS, etc.
Downstream	Package Testing	• TO-CAN COB	ELITE Advanced Laser Corporation	YSOD, PCL-KY, etc.

### KGD-brand optoelectronic devices

Industry		Product Items / Process Technology	Domestic Manufacturers	Foreign Manufacturers
Upstream	Epitaxy	• GaAs \ InGaAs • MOVCD and MBE	Visual Photonics Epitaxy Co., Ltd (VPEC)	IQE and IET-KY
Midstream	Devices	• Device design and production	LuxNet Corp. and Truelight Corporation	GCS, M/A-COM, Lumentum, etc.
	Package Testing	• TO-CAN COB	ELITE Advanced Laser Corporation	YSOD, PCL-KY, etc.
Downstream	Module	• Transceiver	Delta Electronics, Inc., Browave Corporation, etc.	XuChuang Opto-Electronic Co., Ltd. Hisense, etc.

As a leader in the compound semiconductor industry, we cultivate strategic relationships across our value chain. Upstream, we collaborate with epitaxial wafer suppliers and IC design companies for essential materials and designs. Midstream, we maintain a competitive edge as a leading wafer foundry. Downstream, we partner with packaging, testing, module, and system integration firms to deliver our products. These relationships, which balance collaboration and competition, are crucial to our success. We are committed to fostering responsible partnerships and ensuring a resilient supply chain, thereby bridging design and manufacturing while achieving sustainable growth.



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## Industry Overview and Key Products

We specialize in compound semiconductor technologies, focusing on materials such as Gallium Arsenide (GaAs), Indium Phosphide (InP), Gallium Nitride (GaN), and Silicon Carbide (SiC). The Company's operations are concentrated on the following principal domains:

- **Radio Frequency (RF) Device**

Manufacturing components essential for wireless communication infrastructure and devices, including those used in mobile telephony, base stations, and wireless networking.

- **Power Electronics**

Producing components engineered for the efficient power management and control, serving a wide range of industrial applications.

- **Optoelectronic Devices**

Developing and manufacturing components that facilitate the conversion of light into electricity and vice versa, which are integral to fiber optic communication systems and other advanced technologies. The Company also conducts research, development, production, and sales of its proprietary optoelectronic products.

## Semiconductors: Foundational Principles

Semiconductors are materials that conduct electricity under specific conditions, making them essential for the operation of electronic devices. There are two primary classifications:

- **Elemental Semiconductors**

Composed of a single element, with Silicon (Si) being the most common.

- **Compound Semiconductors**

Composed of two or more elements, with gallium arsenide (GaAs) as a key material in GCS's product line.

## Advantages of Compound Semiconductors

Compound semiconductors offer distinct advantages over silicon, particularly for specialized applications:

- **Enhanced Electron Mobility**

This attribute enables superior performance in high-frequency applications, such as advanced wireless communication systems.

- **Light Conversion Capabilities**

Certain compound semiconductors can efficiently convert light into electricity and vice versa, a critical function in optoelectronic devices.



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## GCS' s Strategic Focus Areas

### ● RF Devices (Wireless Communication)

- The increasing demand for RF devices is driven by the expansion of 4G and 5G networks and the anticipated rollout of 6G.
- We manufacture critical components, including power amplifiers, low noise amplifiers, and switches.
- The company employs advanced production technologies such as Molecular Beam Epitaxy (MBE) and Metal-Organic Chemical Vapor Deposition (MOCVD) to fabricate various types of transistors (MESFET, pHEMT, HBT, and GaN HEMT) that are optimized for specific applications.

### ● Optoelectronic Devices (Fiber Optics & Beyond)

- Optoelectronic devices are fundamental to fiber optic communication, LEDs, laser diodes, and other light-dependent technologies.
- We produce devices like PIN PDs and lasers for optical communication systems.
- The growing demand for increasing internet speeds and data transfer rates is fueling growth in this sector, covering applications such as fiber-to-the-home (FTTH), data centers, and a variety of other uses.

**Markets We Served**  
**and Available Foundry Processes**  
**Support RF/Opto Transceivers and Sensor Microelectronics**



Wireless Infrastructure	Aerospace	Defense	Opto Electronics	Mobile Devices
				
GaAs HBT GaN HEMT RF PIN Diode	GaAs pHEMT GaAs HBT Mixer Diode RF PIN Diode GaN HEMT <b>Space Qualified</b>	GaAs pHEMT GaAs HBT Mixer Diode Varactor Diode RF PIN Diode GaN HEMT	PIN PD APD EE Laser VCSEL InP HBT PIC/EPIC	GaAs/InP HBT GaAs pHEMT BAW filter GaN/Si HEMT

## Other Related Business Relations

In addition to providing access to GCS' s proprietary foundry processes, the Company collaborates with customers to develop or transfer custom processes and manufactures products tailored to their specific requirements.

## Strategic Outlook

We believe the compound semiconductor industry is positioned for sustained growth, driven by rising demand for advanced wireless communication technologies and faster data transfer capabilities. The Company is well placed to leverage its extensive expertise in RF and optoelectronic devices to capitalize this growth.

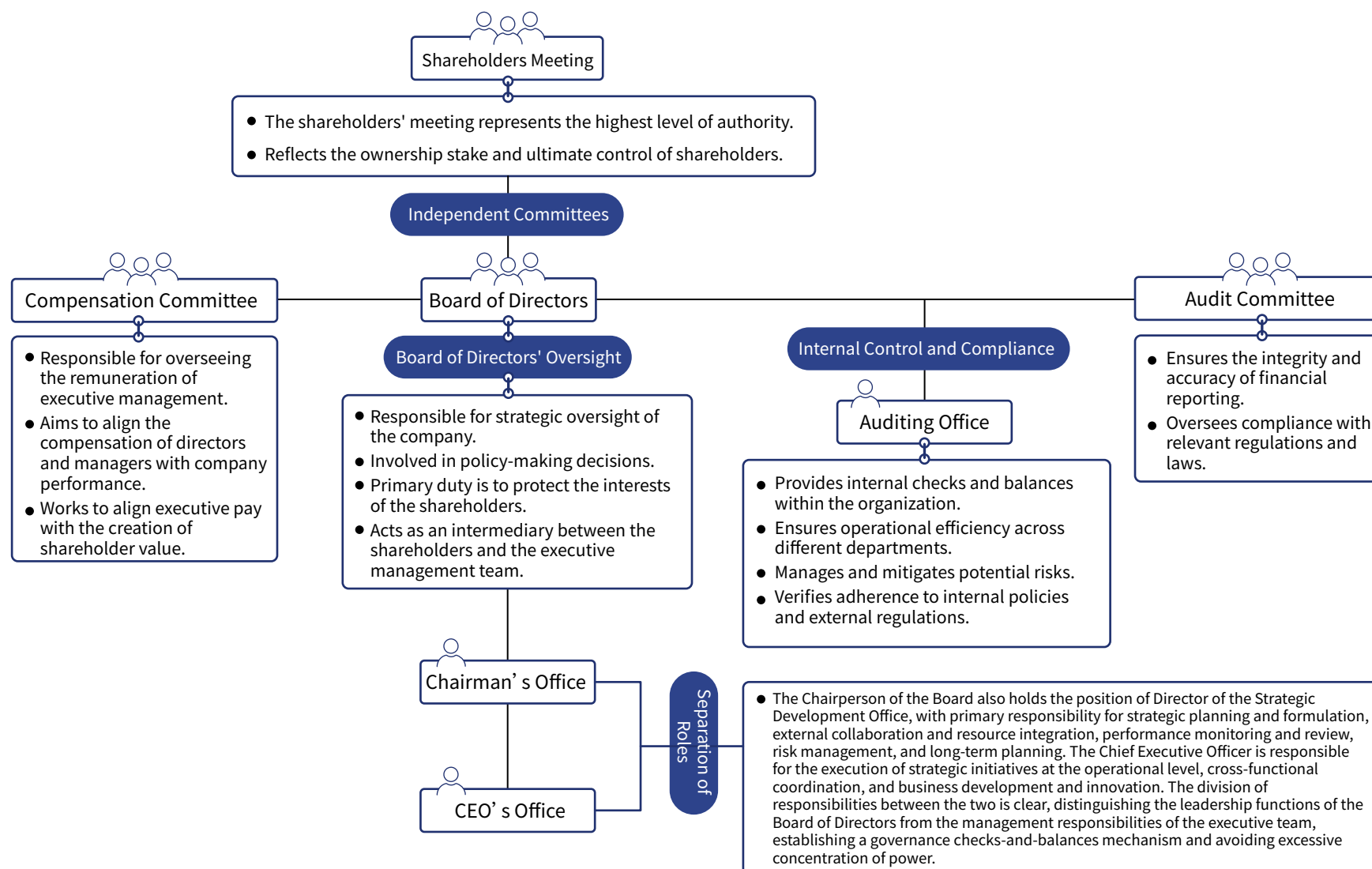
## Industry Associations

We actively participate in the International Conference on Compound Semiconductor Manufacturing Technology, the International Microwave Symposium, and the Optical Fiber Communication Conference. These conferences present and exchange state-of-the-art technical information and provide forums for addressing and advocating activities to address environmental issues. We also participate in ISO certification, which includes energy and waste control in our wafer production process. GCS currently is not covered by collective bargaining agreements.



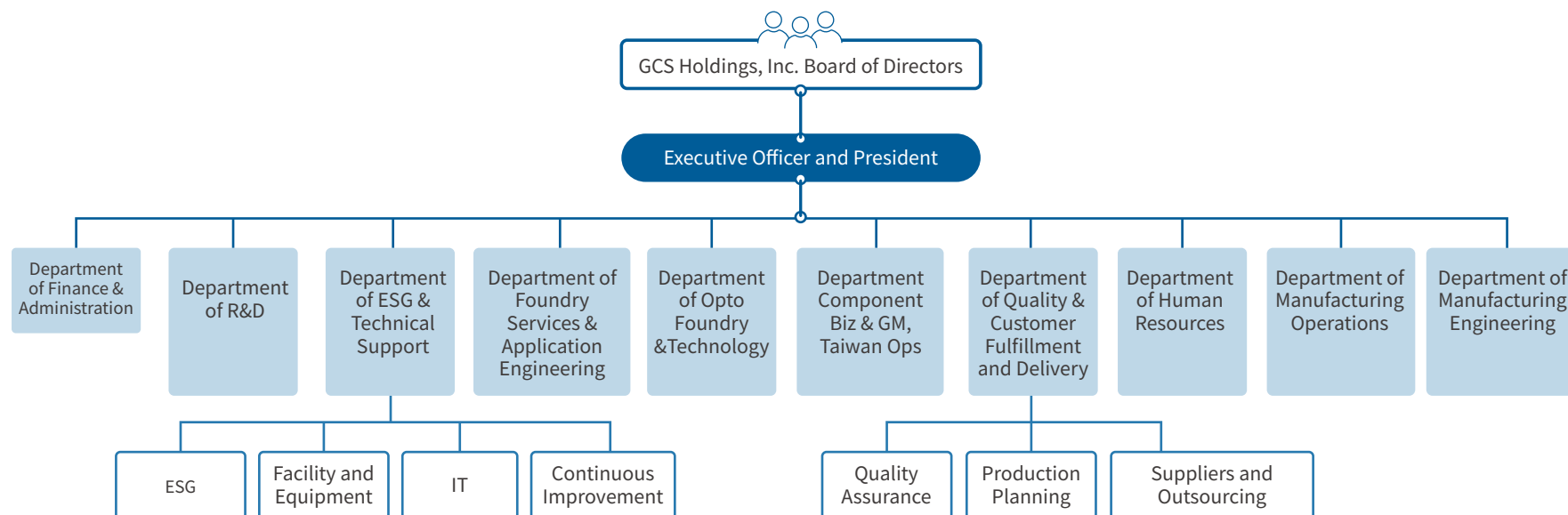
## 1.2 Governance Structure

### Organization Structure





## GCS, USA Organization Chart



## Selection Process for the Board of Directors

	Nomination and selection process
Board of Directors	The Company has established the Director Election Method. Directors are elected through a candidate nomination system, using a fair, just, and open election process. Candidates should generally possess the necessary knowledge, skills, and qualities to perform their duties, taking into consideration their professional background and industry experience.
Audit Committee	The Company has established the Audit Committee Organization Charter. This committee is composed of all independent directors, with no fewer than three members. One member serves as the convener, and at least one member must possess accounting or financial expertise. Committee Members: Tseng, Tsung-Lin\Chao, Mei-Chun\Lin, Shang-Yi
Remuneration Committee	The Company has established Compensation Committee Organization Charter. The members of this committee shall be appointed by resolution of the Board of Directors and they shall not be fewer than three members. The Company has set up independent directors in accordance with the Securities and Exchange Act of the Republic of China. A majority of the members of this committee shall be independent directors, and all members shall nominate independent directors to serve as conveners and chairmen of the meetings. Committee Members: Tseng, Tsung-Lin\Chao, Mei-Chun\Lin, Shang-Yi

Actual operations: Please refer to the Company's annual report for the shareholders' meeting. [http://www.gcsincorp.com/investors/Annual\\_Report.php](http://www.gcsincorp.com/investors/Annual_Report.php)



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## Sustainability Management

A Corporate Sustainability Team has been established under the Board of Directors to assist the Board in fulfilling its supervisory responsibilities. It is responsible for overseeing the implementation of corporate sustainability policies, systems, or related management policies, and reporting regularly to the Board of Directors on the status of their implementation.

## Board of Director Composition

The Company's highest governance body is the Board of Directors, with the Chairperson of the Board as the highest governance body. The Board of Directors meets at least once every quarter. The current Board of Directors comprises seven members, including four directors and three independent directors, each serving a three-year term. Board members possess expertise in industry, operations management, leadership, finance, and law. Of the seven members, six are male and one is female, representing 14.29% female participation. Three members are aged 51–60, and four members are aged 61–70.

### List of directors

Titles	Name	Education and Experience	Sex	Age		Availability of staff status
				51-60	61-70	
Chairperson	Huang, Ta-Lun	<ul style="list-style-type: none"> <li>MBA, University of Michigan</li> <li>Ann Arbor Partner of AsiaVest Partners, TCW/YFY Ltd.</li> </ul>	Male	V		Head of the Company's Strategy Development Office
Director	Unikorn Semiconductor Corporation (Representative: Ann, Bau-Hsing)	<ul style="list-style-type: none"> <li>MBA, Rutgers, The State University of New Jersey</li> <li>Master of Engineering, Ohio State University</li> <li>KTB Investment Partner and Executive Director of KTB Investments</li> <li>VP of Pegatron Corporation</li> </ul>	Male		V	Chief Executive Officer and President of the Company
Director	Unikorn Semiconductor Corporation (Representative: Su, Feng-Cheng)	<ul style="list-style-type: none"> <li>Ph.D., Materials Science and Engineering, State University of New York, Stony Brook</li> <li>Chairman, Lextar Electronics Corp.</li> <li>Senior VP, AU Optronics Corp</li> </ul>	Male		V	None
Director	Unikorn Semiconductor Corporation (Representative: Lee, Tsun Chung)	<ul style="list-style-type: none"> <li>VP of the Lextar Electronics Corp.</li> <li>CSO and COO of NICHE-TECH GROUP LIMITED</li> <li>Strategy Consultant at McKinsey &amp; Company</li> <li>MBA, UC Berkeley</li> </ul>	Male	V		None



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Titles	Name	Education and Experience	Sex	Age		Availability of staff status
				51-60	61-70	
Independent Director	Tseng, Tsung-Lin	<ul style="list-style-type: none"> <li>• MBA, University of Missouri at Columbia</li> <li>• Accounting Bachelor of National Cheng Kung University</li> <li>• Chief Investment Officer of QUANTA COMPUTER INC.,</li> <li>• CFO of United Microelectronics Corporation</li> <li>• CFO of Taiwan Semiconductor Manufacturing Co., Ltd.</li> </ul>	Male		V	None
Independent Director	Chao, Mei-Chun	<ul style="list-style-type: none"> <li>• Member of Taiwan &amp; New York Bar</li> <li>• Master of Laws, National Taiwan University &amp; Columbia University Partner, Jones Day</li> <li>• President, International Federation of Women Lawyers</li> <li>• Executive Director &amp; Chair of Lawyer Ethics Committee, Taiwan Bar Association</li> <li>• Member of the Attorney Disciplinary Appeal Review Committee</li> <li>• Asia Regional Vice President, International Federation of Women Lawyers</li> </ul>	Female	V		None
Independent Director	Lin, Shang-Yi	<ul style="list-style-type: none"> <li>• Master of Economics and Master of Business Administration, Illinois State University at Urbana-Champaign</li> <li>• Master of Mechanical Engineering, Tatung Institute of Technology</li> <li>• Director of Procurement, Fujian Jinhua Integrated Circuit Co., Ltd</li> <li>• Site Procurement Manager at Micron Technology Taiwan, Inc</li> <li>• Deputy Director of Materials Management, Rexchip Corporation</li> <li>• Project Manager, Procurement Department, Powerchip Semiconductor Corporation</li> </ul>	Male	V		None

Age	Male	Female	Total	Other indicators of diversity			
Under 30	0	0	0	Category	Male	Female	Total
30-50(Including 50)	0	0	0	Indigenous	0	0	0
Over 50	6	1	7	Person with a disability	0	0	0
Total	6	1	7	Total	0	0	0



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## Composition of directors

Titles/Name	Operations Management	Industry Knowledge	Decision-making ability	Financial Accounting	Laws	International Market Perspective	Crisis Management	Leadership Skills	Business and Marketing
Chairperson Huang, Ta-Lun	V	V	V			V	V	V	V
Director Unikorn Semiconductor Corporation (Representative: Ann, Bau- Hsing)	V	V	V			V	V	V	V
Director Unikorn Semiconductor Corporation (Representative: Su, Feng-Cheng)	V	V	V			V	V	V	V
Director Unikorn Semiconductor Corporation (Representative: Lee, Tsun Chung)	V	V	V			V	V	V	V
Independent Director Tseng, Tsung-Lin	V	V	V	V		V	V	V	V
Independent Director Chao, Mei-Chun	V	V	V		V	V	V	V	V
Independent Director Lin, Shang-Yi	V	V	V			V	V	V	V

## Board Members' Training Status

As part of its ongoing commitment to best practices, the Company will provide annual training for its directors and managers on corporate governance, risk management, and corporate sustainability, addressing economic, social, and environmental factors.

Title	Full Name	Starting Date	Ending Date	Organizer	Course Name	Hours
Chairperson	Huang, Ta-Lun	2024/12/13	2024/12/13	Taiwan Securities and Futures Institute	Global AI Development & Governance - Observations on the regulation of artificial intelligence in Europe, the United States	3
Chairperson	Huang, Ta-Lun	2024/12/13	2024/12/13	Taiwan Securities and Futures Institute	Advanced Seminar for Directors and Supervisors (including Independent Directors) and Corporate Governance Executives	3
Director	Lee, Tsun Chung	2024/03/26	2024/03/26	Taiwan Corporate Governance Association	Code of Ethical Conduct and How to Avoid Crossing the Red Line of Director and Supervisor Responsibilities	3
Director	Lee, Tsun Chung	2024/05/07	2024/05/07	Taiwan Corporate Governance Association	Practice and Case Study Analysis of Enterprise M&A Regulations	3
Director	Su, Feng-Cheng	2024/05/02	2024/05/02	Taiwan Corporate Governance Association	How the Board of Directors Ensures Sustainable Corporate Operations - Starting with the Discovery and Cultivation of Talent	3
Director	Su, Feng-Cheng	2024/11/06	2024/11/06	Taiwan Securities and Futures Institute	Strategic Thinking on Issue Management in Corporate Governance	3
Independent Director	Tseng, Tsung-Lin	2024/09/05	2024/09/05	Taiwan Securities and Futures Institute	"Supervisors and Directors Watch" Series Course - 2024 Second Half Year Operational Outlook - Latest Taiwan Industry Manager (PMI/NMD) Status, Answer	3



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Title	Full Name	Starting Date	Ending Date	Organizer	Course Name	Hours
Independent Director	Tseng, Tsung-Lin	2024/11/30	2024/11/30	Taiwan Accounting Research and Development Foundation	Establishing ESG Sustainable Strategies to Enhance Competitiveness	3
Independent Director	Chao, Mei-Chun	2024/08/14	2024/08/14	Chinese Corporate Governance Association	Smart Manufacturing Trends and Applications of Digital Technology in Business Management	3
Independent Director	Chao, Mei-Chun	2024/12/17	2024/12/17	Cross-Strait Business Development Foundation	The Present and Future of Energy Technology Services (ESCO)	3
Independent Director	Lin, Shang-Yi	2024/10/30	2024/10/30	Chinese Corporate Governance Association	Latest Trends in Corporate Governance Evaluation Indicators that Directors and Supervisors Must Know – Intellectual Property Management	3
Independent Director	Lin, Shang-Yi	2024/11/26	2024/11/26	Chinese Corporate Governance Association	Responsibility for Dishonest Business Practices and Analysis of Securities Violations	3
Independent Director	Lin, Shang-Yi	2024/12/10	2024/12/10	Taiwan Financial Training Institute	Corporate Governance Lecture - Sustainability Trend Analysis and Impact on Business Risks and Opportunities	3
Independent Director	Lin, Shang-Yi	2024/12/17	2024/12/17	Chinese Corporate Governance Association	Design of Senior Management Compensation and ESG Performance System	3

## Board of Directors' Conflict of Interest Policy

The Chairperson of the Board also holds the position of Director of the Strategic Development Office, with primary responsibility for strategic planning and formulation, external collaboration and resource integration, performance monitoring and review, and risk management and long-term planning. The Chief Executive Officer is responsible for the execution of strategic initiatives at the operational level, cross-functional coordination, and business development and innovation. A clear delineation of responsibilities exists between these roles, and all material decisions and implementation processes are subject to regular reporting to the Board of Directors and the Shareholders' Meeting, thereby effectively mitigating potential conflicts of interest. This structure ensures both strategic oversight and operational execution are addressed, while promoting transparency and accountability through established reporting mechanisms.

The company's regulations regarding conflict-of-interest avoidance are stipulated in the rules of procedure for board meetings and the organizational regulations for the audit committee. If a director has a vested interest in a meeting matter, whether personally or through a legal entity they represent, they should disclose the material details of their interest at that board meeting. If there is a risk of harm to the company's interests, the director should abstain from participating in the discussion and voting, and may not authorize another director to exercise their voting rights on their behalf. The names of the directors involved, details of the material interests, and the circumstances of the abstention are all recorded in the meeting minutes.

The company has established code of Integrity and Business Conduct, procedures for the management of related party transactions, and a code of ethics, which explicitly address the avoidance of conflicts of interest. Any instances of conflict of interest will be reported to the audit committee. Regarding communication with stakeholders, the company has established an investor relations section on its website, which provides detailed disclosure of relevant regulations and information for stakeholders to reference. There are no undisclosed conflicts of interest among the company's shareholders, directors, suppliers, customers, and other stakeholders. The company has also designated a spokesperson and provides a dedicated email address, with personnel responsible for addressing questions and suggestions from various stakeholders. There were 0 cases of significant conflict of interest within the FY2024.

## Board Performance Evaluation

The Company has established the 'Board of Directors Performance Evaluation Measures' and conducts performance evaluations in accordance with its provisions. The Company's Board of Directors conducts an internal performance evaluation once a year, at the end of each fiscal year. The evaluation methods include a self-assessment of the overall Board performance as well as self-assessments by individual Board members. Please refer to the [Company's annual report](#) to shareholders for the results of the 2024 Board of Directors performance evaluation.



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## Remuneration Policy

The policies, systems, standards, and structure for the performance evaluation and remuneration of directors and managers are determined and reviewed by the Remuneration Committee. This committee includes independent directors to provide external remuneration recommendations and holds at least two meetings annually to review and ensure the reasonableness of the remuneration. The remuneration of the general manager and deputy general managers includes salary, bonuses, and retirement benefits, which are regularly disclosed in the company's annual report. The Company is committed to the continuous promotion of the "Environmental (E), Social (S), Governance (G)" sustainability concept, formulating medium and long-term goals, and hoping to create a harmonious and prosperous relationship between the company and society.

In addition to considering industry competitiveness, the overall remuneration for managers also includes factors such as sustainable environment development and talent cultivation in its evaluation. Therefore, the Company plans to incorporate ESG performance into the variable remuneration evaluation factors. Upon achieving the set ESG target performance, a certain percentage of bonus will be added, linking the interests of the company and managers, making corporate sustainability a common goal.

## Remuneration Committee

### Establishment and Responsibilities of the Remuneration Committee

- **Formulating and Reviewing Remuneration Policies**

The company has a Remuneration Committee responsible for formulating and periodically reviewing the policies, systems, standards, and structure for the performance evaluation and remuneration of directors and managers. This ensures the remuneration system is reasonable, transparent, and effective.

- **Independent Director Participation**

The Remuneration Committee includes independent directors who can provide external remuneration recommendations from an independent and objective perspective. This avoids conflicts of interest among internal personnel and ensures fairness in remuneration decisions.

- **Regular Meetings**

The Remuneration Committee holds at least two meetings annually to review and ensure the company's remuneration policies are competitive and reasonable in the market, and to make adjustments based on the company's operating conditions and market changes. A total of three meetings was held in 2024, with an average attendance rate of 100%.

### Standards and Processes for Remuneration Evaluation

- **Professional and Objective Evaluation**

The Remuneration Committee takes a professional and objective stance to evaluate the performance of directors and managers, using this as an important basis for remuneration decisions.

- **Annual Evaluation**

The Remuneration Committee conducts an annual evaluation of the remuneration of directors and managers, ensuring that remuneration is aligned with performance and promoting management initiative and accountability.

- **Submission to the Board of Directors for Discussion**

The evaluation results and recommendations of the Remuneration Committee are submitted to the Board of Directors for discussion. The Board of Directors will refer to the professional opinions of the Remuneration Committee and ultimately decide on the remuneration plan for directors and managers.

### Objectives of the Remuneration System

- **Attracting and Retaining Talent**

Through competitive remuneration levels, the company aims to attract and retain outstanding directors and managers, thereby enhancing the company's management capabilities.

- **Incentivizing Performance**

Linking remuneration to performance motivates directors and managers to create greater value for the company and achieve company goals.

- **Improving Corporate Governance**

Through independent and objective remuneration decision-making mechanisms, the company improves its corporate governance level and increases investor confidence.



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## Remuneration Stakeholder Input

The Company maintains good communication channels with our banks, suppliers, and other stakeholders. The Company has spokespersons and related personnel who can assist investors, suppliers, and stakeholders with inquiries regarding the company's operations or related rights and interests. The Company also has dedicated personnel and an email address to handle matters related to the company's external relations and stakeholders. We currently do not have any third-party remuneration consultants.

### ● Shareholder Feedback

Gathering opinions from shareholders during annual general meetings (AGMs) or through surveys to assess whether executive compensation is fair and aligned with company performance.

### ● Employee Surveys

Conducting anonymous surveys among employees to understand their views on the compensation structures and whether they believe the pay is equitable and motivating.

### ● Feedback from Compensation Committees

Engaging with the company's remuneration committee to discuss the structure of pay, incentives, and benefits for top executives, ensuring alignment with shareholder interests and company performance.

### ● Public and Media Input

Considering public opinion or media coverage regarding executive pay, especially in cases where executive compensation may be seen as excessive or misaligned with company performance.

## Audit Committee

### Establishment and Responsibilities of the Audit Committee

In 2024, the Audit Committee reviewed and deliberated on the following major items:

- Review of financial reports
- Articles of Incorporation and related operational procedures
- Significant accounting policies and procedures
- Assessment of the effectiveness of the internal control system
- Major asset transactions
- Major lending of funds and endorsement/guarantee transactions
- Public offerings, issuance, or private placements of equity-related securities
- Assessment of the independence and competency of the certifying CPA
- Appointment and dismissal of the Head of Internal Audit

### Standards and Processes for Auditing Evaluation

The Audit Committee follows a structured evaluation process that begins with reviewing and approving the annual audit plan to ensure risk-focused coverage. It assesses the independence, qualifications, and performance of both internal and external auditors, requiring formal declarations of independence. Throughout the audit cycle, the Committee monitors audit execution, reviews key findings, and ensures timely follow-up on corrective actions. It conducts annual evaluations of audit effectiveness and reports significant audit matters and outcomes to the Board of Directors, thereby reinforcing accountability, transparency, and sound corporate governance.

### Objectives of the Auditing System

The objective of the auditing system is to ensure the accuracy and reliability of financial reporting, strengthen internal controls, promote regulatory compliance, and support effective corporate governance. It helps safeguard company assets, enhances operational efficiency, and provides independent assurance to stakeholders that the organization is operating transparently, ethically, and in alignment with applicable laws and standards.



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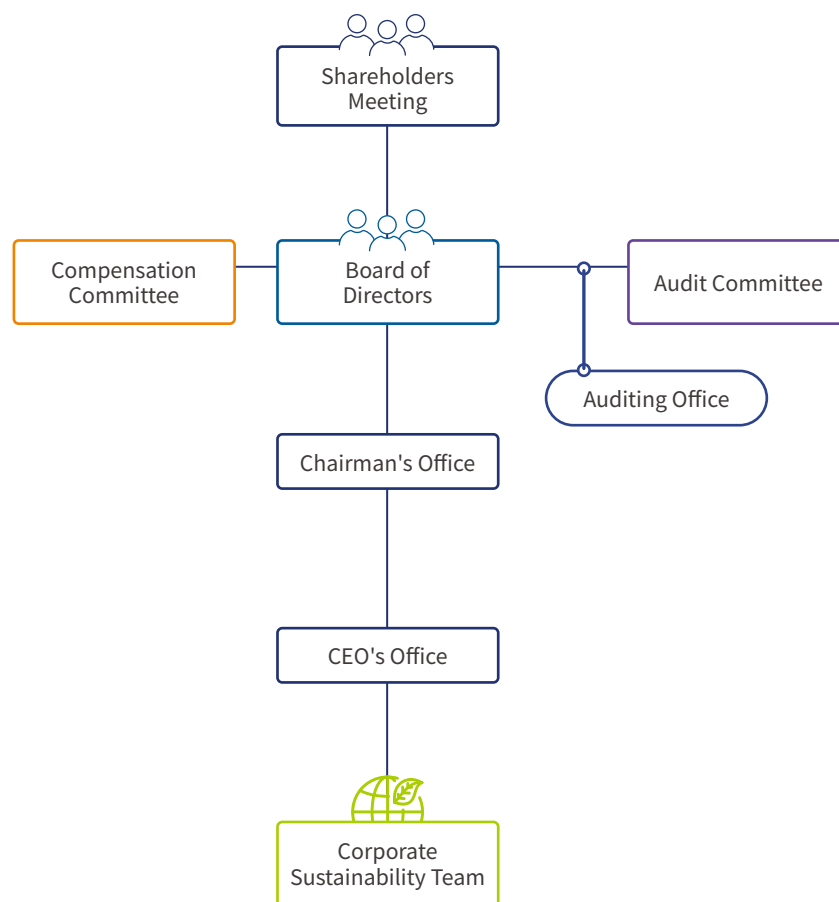
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## 1.3 Sustainable Governance

### Corporate Sustainability Structure

At present, the Corporate Sustainability Team is responsible for approving and supervising sustainability initiatives, implementing sustainability policies, systems, or related management guidelines, and reporting progress to the Board of Directors on a regular basis.



### Corporate Sustainability Team

The Board of Directors holds the highest authority in decision-making and supervision for sustainability affairs, directly overseeing sustainability governance and promotion. The Corporate Sustainability Team plays a key role in consolidating stakeholder communication outcomes and reports to the Board on an annual basis. These reports enable the Board to monitor the company's sustainability progress, oversee the management team's execution of sustainability initiatives, and assess the achievement of performance targets.

Sustainability is embedded in the company's governance structure, with the Board of Directors maintaining ultimate oversight. This ensures that sustainability is integrated into the company's overall strategy and operations rather than treated as a separate initiative. The Board's direct involvement highlights the strategic importance of sustainability at the highest level of the organization. The Corporate Sustainability Team is led by the Vice President of ESG and Technical Support at GCS, USA, who is the highest-ranking officer responsible for overseeing the planning and implementation of sustainability strategies, ensuring effective alignment between execution and governance.

### Board of Directors' Role

The Board of Directors functions as the highest decision-making and supervisory body for sustainability matters. Its responsibilities include:

#### Directly managing sustainability initiatives

The Board does not simply delegate; they actively guide and shape the company's sustainability path.

#### Defining the governance structure

The Board establishes the framework within which sustainability is managed, ensuring clear lines of responsibility and accountability.

Reviewing and approving sustainable development strategies, sustainable reporting information and other important environmental, social and economic motions.



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## Corporate Sustainability Team's Role

The Corporate Sustainability Team plays a critical supporting role, acting as a liaison and information hub. Their key functions are:

### Consolidating communication with stakeholders

This team gathers and synthesizes feedback from various stakeholders (employees, customers, community, investors, etc.) to understand their perspectives and concerns related to sustainability.

### Reporting to the Board of Directors

The team provides an annual report to the Board, offering a comprehensive review of sustainability performance and progress.

## Information Flow and Board's Use of Reports

The annual reports from the Corporate Sustainability Team are essential tools for the Board, enabling them to:

### Monitor progress

The reports provide insights into the advancement of various sustainability initiatives, allowing the Board to track milestones and identify any roadblocks.

### Oversee management's efforts

The Board uses the reports to evaluate the effectiveness of the management team's implementation of sustainability plans and ensure resources are being used effectively.

### Track performance goals

The reports enable the Board to measure the company's progress against established sustainability targets and hold the organization accountable for achieving its stated objectives. This data-driven approach fosters continuous improvement.

The Corporate Sustainability Team will annually report to and engage in discussions with the Board of Directors regarding the company's plans and achievements related to material issues such as corporate governance, environmental protection, and social responsibility. This includes the annual ESG activities and their outcomes, stakeholder engagement, future ESG plans and outlook, and the schedule planning and implementation progress of greenhouse gas inventory/verification. A materiality analysis is conducted annually. Following the guidance of the GRI Standards, specifically GRI 3: Material Topics (2021), the process involves stakeholder and expert engagement, along with an assessment of the positive and negative impacts of sustainability issues. This process identifies sustainability issues with significant impacts as material topics, which are then disclosed in the sustainability report. This aims to fully convey the company's management approach and performance across various material topics.

## Key Significant Events



Resolution to prepare the Sustainability Report



Resolution to conduct a greenhouse gas inventory

The key significant events communicated to the Board of Directors by the Corporate Sustainability Team for 2024 include a carbon inventory schedule planning and progress report presented on 2024/01/16, and an ESG project progress report presented on 2025/01/16, covering the initiation of the sustainability report project schedule, stakeholder identification, materiality assessment, and ESG indicator task allocation.



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## 1.4 Operational Performance

The Company adheres to the concepts of sustainable operation and innovative transformation, fulfills its social responsibilities, promotes local economic development, complies with laws and regulations, and implements tax governance and risk control. The following measures have been adopted:

- **Comply with laws and regulations:** Adhere to all applicable tax laws and regulations in each operating location.
- **Avoid improper tax planning:** Carefully evaluate investment structures and transaction models to comply with economic substance and legitimate business purposes, and refrain from using tax havens or deliberately transfer profits to low-tax countries or regions for the purpose of tax avoidance.
- **Related-party transactions:** Comply with applicable transfer pricing regulations.
- **Tax risk assessment:** Consider tax factors in major operational decisions and assess related tax risks and potential impacts.
- **Information disclosure:** Ensure tax disclosures comply with applicable laws, regulations, and the requirements of the Code.
- **The relationship with the tax authorities:** Maintain constructive and transparent relationships with tax authorities based on mutual trust, respect, and compliance with laws and regulations.

### Annual Operational Performance

Unit: NTD (in thousands)

Year	2022	2023	2024
Operating revenue	1,333,810	1,350,604	1,750,044
Operating cost	1,018,881	1,113,345	1,087,036
Gross profit	314,929	237,259	663,008
Operating expenses	452,262	464,286	470,234
Non-operating income and expenses	(814,368)	(579,298)	(428,121)
Income (loss) before income taxes	(951,701)	(806,325)	(235,347)
Income tax (expense) benefit	11,984	14,089	(1,639)
Loss after income tax	(939,717)	(792,236)	(236,986)

### Direct Economic Value Generated and Distributed by the Organization

Unit: NTD (in thousands)

Year	2022	2023	2024
Income	1,333,810	1,350,604	1,750,044
Operating costs	1,018,881	1,113,345	1,087,036
Employee salaries and benefits	654,965	651,396	695,558
Payments to funders	0	0	0
Government payments	0	0	0
Community investments	0	0	0



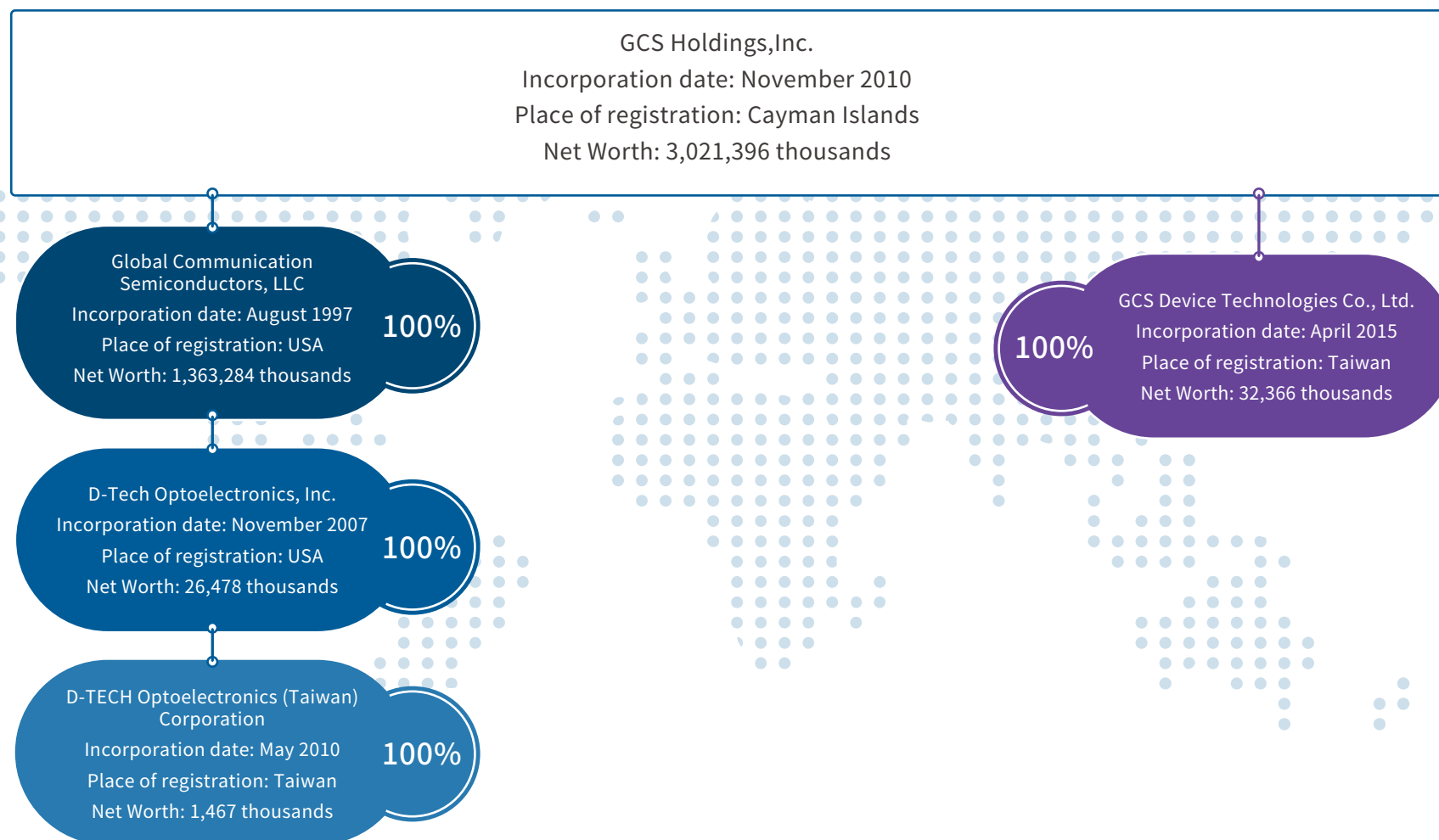
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## Organizational Chart of Related Companies

December 31, 2024



## Government Subsidies

The Company's subsidiaries, Universal Microwave Technology, Inc. (USA) and D-Tech Optoelectronics, Inc., were affected by COVID-19 in 2021 but continued to retain their employees, meeting the criteria for the Employee Retention Tax Credit (ERTC). In 2024, they received the related government subsidies and recognized the income.



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## Product Sales Status

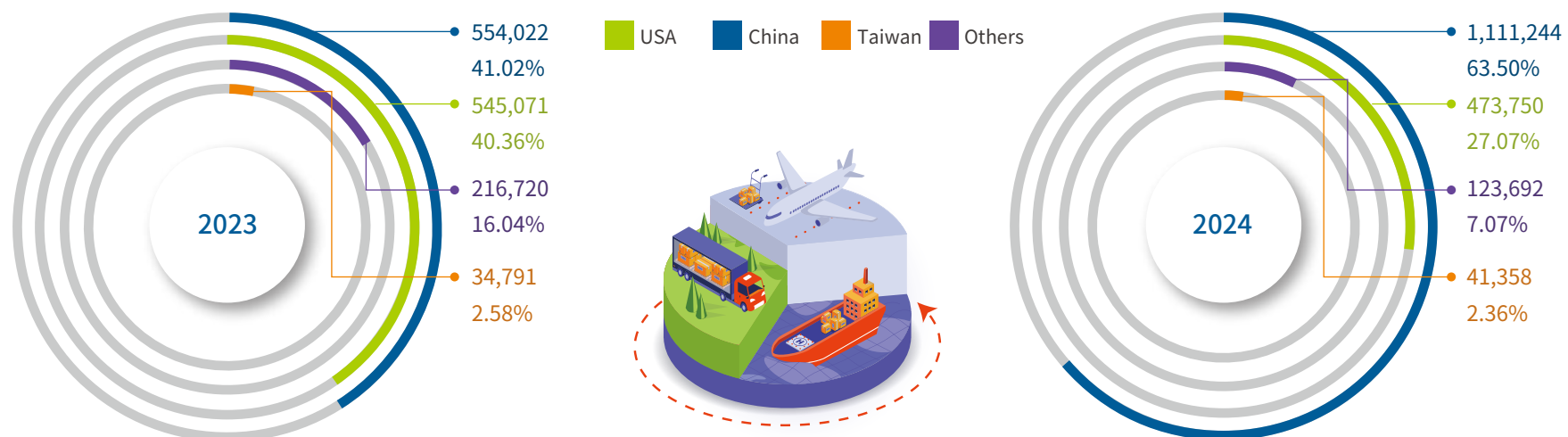
### Revenue Proportion of Major Products

Unit: NTD (in thousands)

Product Categories	2023		2024	
	Sales Revenue	Weight	Sales Revenue	Weight
RF device wafer foundry	570,325	42.23%	446,583	25.52%
Optoelectronic device wafer foundry	237,212	17.56%	182,587	10.43%
Self-owned-brand optoelectronic products	535,579	39.66%	1,076,886	61.54%
Technical service income	7,488	0.55%	43,988	2.51%
Total	1,350,604	100%	1,750,044	100%

### Sales Regions of Major Products







Unit: NTD (in thousands)





## 1.5 Stakeholder Engagement and Responses

GCS values the needs and opinions of its stakeholders. Currently, the main stakeholders of the company include employees, shareholders and investors, clients, suppliers and business partners, government agencies, communities, social groups and associations. The company engages with stakeholders through the following communication channels.

Stakeholders	Materiality and Its Significance	Topics	Communication and Response Channels and Communication Frequency	Consultation Result FY2024
 Employees	Employees are the most important asset of any organization. GCS' primary responsibility is to provide a safe, sustainable and equitable work environment for its employees.	<ul style="list-style-type: none"> <li>Occupational safety and health</li> <li>Labor Relations</li> <li>Education and Training</li> <li>Salary and Welfare</li> <li>Sustainability</li> </ul>	<ul style="list-style-type: none"> <li>New Hire Safety Training – At Onboarding</li> <li>Suggestion Inbox - Instantly</li> <li>Ongoing Safety Training - Monthly</li> </ul>	<ul style="list-style-type: none"> <li>Daily meeting with production operators at the beginning of each shift</li> <li>Ongoing certifications with production operators to encourage cross-training on all tools</li> <li>Over 200 hours of safety training provided</li> </ul>
 Clients	Clients are key to the success of GCS. The Company offers products created in a safe and environmentally conscious manner at a competitive price. Our products help our clients drive towards greater market share within the semiconductor industry.	<ul style="list-style-type: none"> <li>Sustainability</li> <li>Fair pricing</li> <li>Manufacturing standards and procedures</li> </ul>	<ul style="list-style-type: none"> <li>Weekly customer conference calls to track product delivery dates</li> <li>In-person customer visits at GCS to confer with the progress of products with engineering staff</li> <li>Attendance at annual semiconductor industry conferences</li> <li>Interacting with existing customers and identifying prospective clients</li> </ul>	<ul style="list-style-type: none"> <li>Weekly customer calls</li> <li>Customer access to GCS database for real-time tracking</li> </ul>
 Shareholders & Investors	Shareholders & Investors are critical partners in our long-term future. Strong relationships with investors are essential in today's fast-paced business environment. Taking the initiative to enhance engagement with our stakeholders will greatly benefit our venture.	<ul style="list-style-type: none"> <li>Company financial statements</li> <li>Sustainability</li> <li>Short-term and long-term company growth</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly Investor Conference and Annual Shareholder Meetings</li> <li>Quarterly and Annual Financial Reports</li> <li>Investor Statements through GCS Company website</li> <li>Creating dedicated Investor Page on GCS website</li> </ul>	<ul style="list-style-type: none"> <li>Continued Quarterly Investor Conference and Annual Shareholder Meetings</li> <li>Financial Reports released quarterly and annually</li> <li>Press release through GCS website on new product launches</li> </ul>
 Suppliers & Business Partners	Without our key suppliers and business partners, GCS could not achieve the Company's goals and objectives. Our suppliers and business partners are industry leaders in the semiconductor sector.	<ul style="list-style-type: none"> <li>Competitive pricing</li> <li>Timely payments and reimbursements</li> </ul>	<ul style="list-style-type: none"> <li>Monthly and quarterly payment statements</li> </ul>	<ul style="list-style-type: none"> <li>Supplier On Time Delivery goals achieved for all Tier 1/2 suppliers</li> <li>Zero payment/reimbursement issues in 2024</li> <li>Passing report cards delivered for all Tier 1/2 suppliers</li> </ul>
 Government Agencies	Maintaining sound and safe business policies in regards to labor, safety, environmental practices will ensure compliance with all related government agencies.	<ul style="list-style-type: none"> <li>Compliance with government agency reporting</li> </ul>	<ul style="list-style-type: none"> <li>Successfully completing all necessary government reporting on a monthly, quarterly, and annual basis as required by local ordinance, state and federal laws</li> </ul>	<ul style="list-style-type: none"> <li>In the future, the GCS website can offer public access to the required government monitoring reports</li> </ul>
 Communities & NGOs	Being a responsible neighbor is an important goal at GCS. From helping with a local fundraiser or community service event, the Company contributes to the community.	<ul style="list-style-type: none"> <li>Contributing to the health and welfare of our community</li> </ul>	<ul style="list-style-type: none"> <li>Recognition of safety and environmental awards in our local community, creating a committee to identify upcoming service opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Torrance "Good Neighbor" Award</li> <li>Fundraiser for St. Joseph's Research Hospital</li> <li>Annual Toy Drive for Toys for Tots</li> </ul>



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## Remediation Process

We focus on identifying and addressing potential issues early. Through in-depth impact analysis and effectiveness assessments, we understand the extent of the impact on operations and stakeholders. By integrating a continuous feedback mechanism, we incorporate the review results into collaborative practices and risk management, continuously optimizing management processes and preventive measures, and enhancing overall response and prevention capabilities.

## Grievance Mechanism

The Company will establish a diverse and transparent grievance mechanism to facilitate stakeholders in submitting complaints and seeking resolutions. Currently, our grievance channel includes a dedicated email address to ensure convenient and timely submission of grievances.



### Confidentiality

We are committed to maintaining the confidentiality of all grievance content, authorizing only relevant departments and personnel to conduct necessary reviews and resolutions, ensuring that the identity of the complainant and their feedback are not disclosed.



### Anonymity Mechanism

To protect the safety and willingness of complainants, the company provides an anonymous grievance mechanism. Complainants may choose to submit their opinions through a third-party representative or anonymously, to avoid potential pressure or risks due to identity disclosure.

This mechanism aims to promote effective communication between the Company and its stakeholders. In line with corporate governance and sustainability principles, it actively resolves potential negative impacts and supports the continuous improvement of the Company's operations and social responsibility performance.

## Monitoring the Effectiveness of the Grievance Mechanism and Remedial Measures



### User Information Dissemination and Training

The Company disseminates information regarding the grievance mechanism and remedial measures to stakeholders through our official website, annual reports, and internal announcements. This includes instructions on how to use the mechanism and the available assistance. We will also utilize the employee handbook and the company website to help employees and other stakeholders familiarize themselves with the grievance process, ensuring the transparency and convenience of the grievance mechanism.



### Mechanism Accessibility

The grievance mechanism is available year-round, 24 hours a day, 7 days a week to ensure that stakeholders can effectively use the mechanism.



### Protection of Human Rights

The Company values the basic human rights of complainants and pledges not to retaliate in any form against those who raise concerns or provide feedback. We ensure that their opinions are treated fairly and impartially.



### Grievance Data and Improvement Measures

- Number and Types of Grievances: No grievances were received in 2024.
- Repetitive or Persistent Grievances: No grievances were received in 2024.
- Mechanism Improvement Measures: Based on relevant feedback and suggestions, we will make appropriate adjustments to the process and implement corresponding improvement measures.



### Communication with Stakeholders

We will disclose the progress and effectiveness of the grievance mechanism in our annual reports, including stakeholder feedback and improvement measures. In the future, through dialogue with stakeholders, we will improve the grievance mechanism to ensure that it better meets their needs in the future.



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## 1.6 Determination of Material Topics

### Determination of Material Topics Process

The company identifies material sustainability topics through internal discussions, consultations with external experts, and by referencing the Global Reporting Initiative (GRI) Standards and key industry trends. In 2024, a comprehensive analysis was conducted, which included department interviews and surveys, to evaluate the impact of various issues on the economy, environment, society, and company operations. A total of 124 valid stakeholder surveys were collected to identify key sustainability concerns. A materiality matrix was then developed, with the X-axis representing the impact on company operations, the Y-axis reflecting economic, environmental, and social impacts, and the bubble size indicating stakeholder interest. Based on this assessment, senior management identified and confirmed 11 key material topics: Product Innovation and Development, Product Quality and Safety, Cybersecurity and Protection, Customer Relationship Management, Talent Attraction and Retention, Talent Training and Development, Occupational Safety and Health, Climate Change Response, Water Resource Management, Waste Management, and Supply Chain Management. These topics form the basis for sustainability disclosures, with ongoing efforts for continuous improvement. Operational Performance, Corporate Governance, and Regulatory Compliance are disclosed as general topics due to the completeness of their governance frameworks.

#### • List of Material Topics

Aspects	Material Topics	Material Topic Explanation	Relevant Chapters
Governance	Product Innovation and Development	Continuously drive innovation in product design and technology to meet market demands, enhance competitiveness, and create sustainable value.	2.6 Product Innovation and Development
	Product Quality and Safety	Implement strict quality control and safety standards throughout the production process to ensure product reliability and consumer safety.	2.5 Product Quality and Safety
	Cybersecurity and Protection	Integrating technology, strategy, and personnel management to ensure the confidentiality, integrity, and availability of information systems.	2.7 Cybersecurity and Protection
	Customer Relationship Management	Implementing decision-making software and data to enhance order processing efficiency and provide supply chain services.	2.4 Customer Relationship Management
	Supply Chain Management	Coordinating the operations of suppliers, manufacturers, and retailers to reduce costs, speed up delivery, and improve product quality.	2.3 Supply Chain Management

Aspects	Material Topics	Material Topic Explanation	Relevant Chapters
Social	Occupational Safety and Health	Ensuring workers' safety and health, providing a high-quality working environment, which is a fundamental responsibility of the company's operations.	3.2 Occupational Safety and Health
	Talent Attraction and Retention	Bringing together passionate and innovative partners to pursue excellence, continuously breaking through barriers, and injecting new energy to build a world-class team.	3.1 Workplace Well-being
	Talent Training and Development		
Environmental	Climate Change Response	Complying with regulations and international trends, reducing carbon emissions, promoting green technology and products, and actively tackling climate change challenges.	4.1 Climate Change Response (TCFD)
	Water Resource Management	Optimize water usage efficiency, promote water recycling, and implement sustainable water management practices to reduce environmental impact.	4.3 Water Resource Management
	Waste Management	Implementing source reduction, reuse, recycling, and resource regeneration to achieve sustainable waste management, promote resource circulation, and minimize environmental impact.	4.4 Waste Management

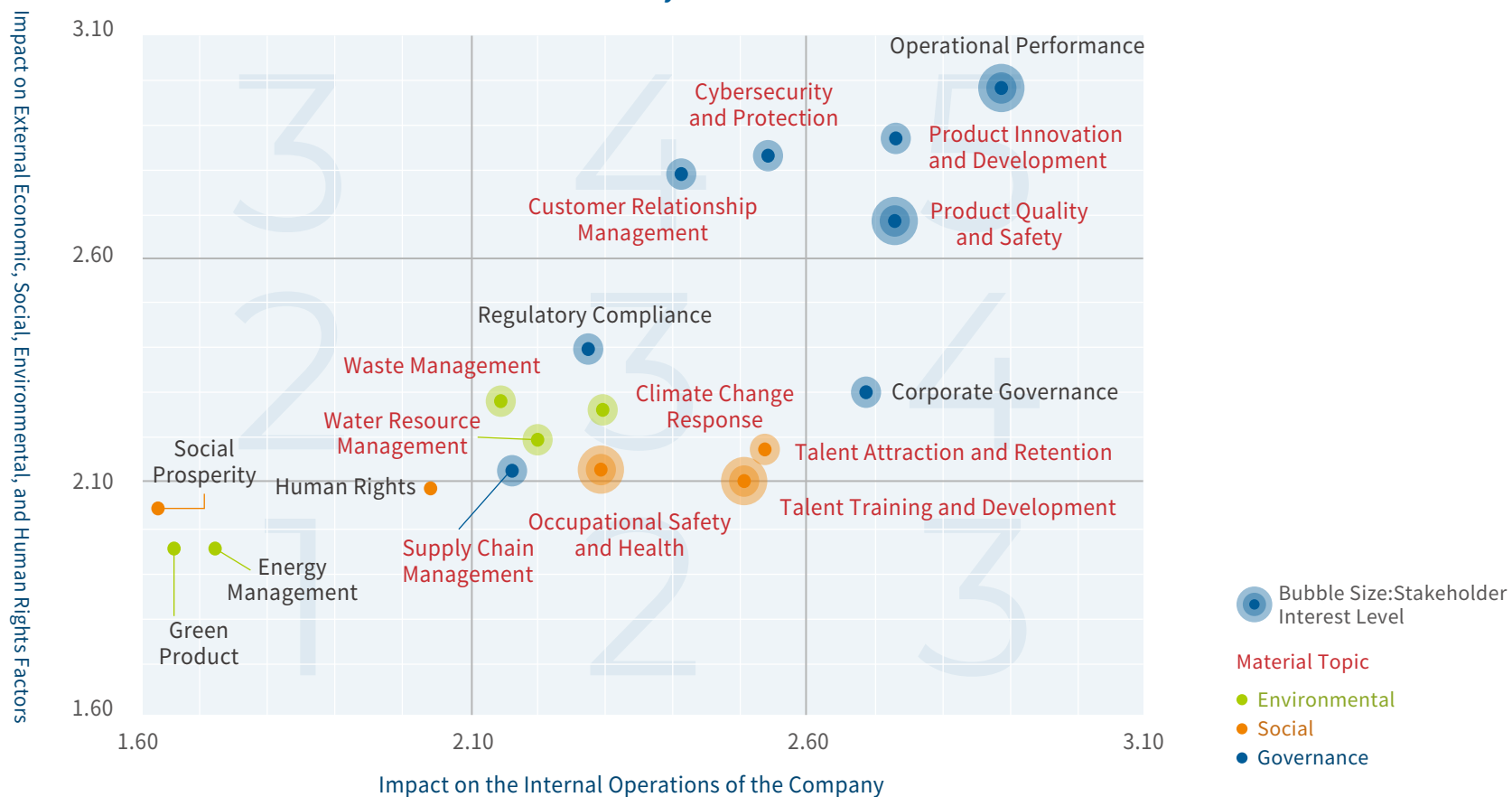


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## Materiality Matrix



# CH2



2.1 Compliance  
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2.2 Risk Management

2.3 Supply Chain Management

2.4 Customer Relationship Management

2.5 Product Quality and Safety

2.6 Product Innovation and Development

2.7 Cybersecurity and Protection



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## 2.1 Compliance and Integrity Management

GCS Holdings, Inc. (GCS) is committed to full compliance with all applicable laws and regulations in both Taiwan and California. This includes, but is not limited to, regulations concerning fair employment practices, wage and hour laws, workplace safety standards set by Occupational Safety and Health Administration, Taiwan Ministry of Labor and Cal/OSHA, and anti-discrimination and harassment policies as mandated by Taiwan Ministry of Labor and California Fair Employment and Housing Act (FEHA). To ensure transparency and accessibility, relevant informational postings regarding employee rights and company obligations are maintained on bulletin boards in common areas. Comprehensive details regarding specific employment policies, including those related to leave, benefits, and conduct, can be found in the Company Handbook. Furthermore, GCS implements company-wide training programs to educate employees on their rights and responsibilities under applicable laws in Taiwan and California, as well as internal company policies, thereby fostering a compliant, respectful, and inclusive work environment.

### Integrity Management

GCS's Company Handbook outlines the General Standards of Conduct, which includes guidance for Workplace Conduct and Conflict of Interest and Business Ethics as part of our commitment to integrity. To ensure understanding of and compliance with applicable legal requirements and our standard of conduct, we consistently communicate with and train our new employees during new hire orientation, and a signed acknowledgment is maintained in the employee's personnel file. Updates to the Company Handbook are acknowledged online and stored in our Human Resources Information System (HRIS).

### Whistleblowing System

At GCS, we are committed to maintaining a culture of integrity and transparency. Our whistleblower system will ensure that all reports and investigations are handled with strict confidentiality. The company safeguards the identities of whistleblowers, the content of their reports, and all individuals involved in the investigative process. Only authorized personnel have access to this information, and all parties are required to uphold confidentiality. Any breach of these protocols will be subject to disciplinary measures.

To report illegal or unethical business practices, employees may use multiple channels, including:

- Directly reporting to a supervisor or HR
- Submitting a written report via the dedicated HR mail slot
- Filing a named or anonymous report

Upon receiving a complaint, the Company will promptly conduct a fair and thorough investigation into the facts and circumstances of any claim of a violation of such policies and will take corrective measures against any person found to have engaged in the violation.

We protect whistleblowers from any form of retribution or unfair treatment. In 2024, GCS did not receive any complaints or reports regarding any of the above. Additionally, GCS prioritizes customer satisfaction, consistently working to address concerns through daily, weekly, and monthly reviews. Our management and engineering teams proactively identify and resolve issues, ensuring the highest level of service. Notably, GCS did not receive any customer complaints during the previous reporting period.

By upholding ethical business practices and delivering exceptional customer support, we reinforce our commitment to integrity, accountability, and continuous improvement.



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## Company Violations

Definition of a major provision violation:

- Major labor violations are defined as cases involving fines of more than US\$300,000
- Major environmental violations are defined as cases involving fines of more than US\$70,000
- Major occupational accidents refer to a severe workplace incident that results in a significant injury, such as a fatality, amputation, severe fracture, loss of sight, or other life-altering harm, often requiring immediate medical attention and potentially impacting the worker's ability to return to their job; it usually involves a large-scale event such as an explosion, major machinery malfunction, or a serious fall from a height.

In 2024, GCS did not have any violations that resulted in administrative or judicial sanctions and/or fines during the reporting period. GCS is committed to upholding the laws and regulations governing our business.

## Operate Training Programs

Employees attend mandatory compliance training online as new hires and participate in ongoing education in accordance with regulatory requirements. Participation is tracked and logged to ensure all course work is completed. In addition, GCS USA partners with the El Camino Business Training Center to offer specialized training including: basic workplace skills, business skills, computer skills, continuous improvement, and safety training.

2024 Courses	Hours	Participants
WPVP (Workplace Violence Prevention Program)	1	160
Common Ground (Discrimination, Harassment, and Retaliation Prevention) - new hires	1	8
WPVP Active Shooter series	0.75	160
Safety Training - new hires	2	8
Fab Training - new hires	6	5
Fab Certifications - new hires	40	5
Excel 2	16	10
Equipment/ Facility	21	6
<b>Total</b>	<b>87.75</b>	<b>362</b>

## Anti-corruption policy

GCS Holdings, Inc. requires that all employees avoid any conflict between their personal interests and those of the Company. The purpose of this policy is to ensure that the Company's honesty, integrity, and reputation remain uncompromised. The fundamental principle guiding this policy is that no employee should have, or appear to have, personal interests or relationships that actually or potentially conflict with the best interests of the Company.

Situations that would constitute a conflict in most cases include but are not limited to:

- Holding an interest in or accepting free or discounted goods from any organization that does, or is seeking to do, business with the Company, by any employee who is in a position to directly or indirectly influence either the Company's decision to do business, or the terms upon which business would be done with such organization
- Holding any interest in an organization that competes with the Company
- Being employed by (including as a consultant) or serving on the board of any organization which does, or is seeking to do, business with the Company or which competes with the Company
- Profiting personally, e.g., through commissions, loans, expense reimbursements, or other payments, from any organization seeking to do business with the Company.

A conflict of interest would also exist when a member of the employee's immediate family is involved in situations such as those above. It is the employee's responsibility to report any actual or potential conflict that may exist between the employee (and the employee's immediate family) and the Company.



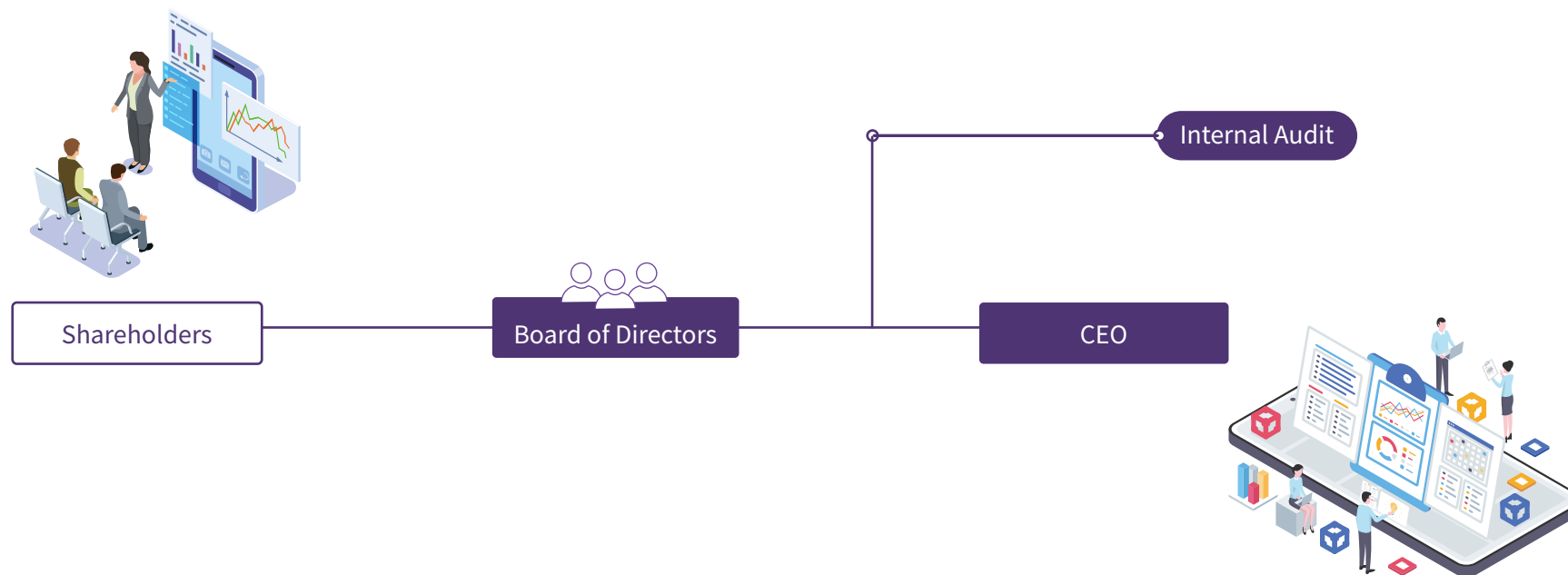
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## Internal Audit

### ● Audit Management Organization Chart



To ensure the effectiveness and integrity of its operations, GCS maintains a robust internal audit program. This program is designed to provide independent and objective assurance regarding the design and operating effectiveness of internal controls, risk management, and governance processes. The internal audit function plays a crucial role in identifying areas for improvement and promoting best practices throughout the organization.

## Frequency and Scope

Internal audits are conducted on a monthly basis, covering various departments, modules, and processes within the organization. The audit scope is determined through a risk-based assessment, focusing on areas with higher potential impact or vulnerability. This ensures that audit resources are allocated effectively to address the most critical areas.



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## Responsibilities

### Internal Audits Organization

The Internal Audits Organization holds overall responsibility for the internal audit program. Its duties include:

- **Scheduling**  
Developing and maintaining the annual internal audit schedule, ensuring appropriate coverage of all key areas.
- **Coordination**  
Coordinating all aspects of the audit process, from planning and execution to reporting and follow-up.
- **Training**  
Providing comprehensive training to internal auditors on audit methodologies, relevant regulations, and industry best practices. This ensures auditors possess the necessary skills and knowledge to conduct effective audits.
- **Auditor Selection**  
Selecting qualified and impartial auditors for each audit engagement, considering their expertise and experience in the specific area being audited. Where necessary, external experts may be engaged to supplement internal audit resources.
- **Report Review**  
Reviewing all audit reports to ensure accuracy, completeness, and clarity. The Quality Organization also assesses the adequacy of corrective actions proposed by auditees.

### Department and Managers

Department and module managers play a vital role in the audit process. Their responsibilities include:

- **Audit Activities**  
Actively participating in audit activities, providing necessary information and access to records, and cooperating fully with the auditors.
- **Audit Result Review**  
Reviewing the audit findings and recommendations specific to their department or module.
- **Corrective Actions**  
Developing and implementing appropriate corrective actions to address any identified deficiencies or non-conformances. Managers are also responsible for tracking the effectiveness of these corrective actions and ensuring they are sustained over time.
- **Reporting and Follow-up**  
Audit reports are formally documented and communicated to relevant stakeholders, including senior management and the audit committee. The reports include a summary of audit findings, identified risks, and recommendations for improvement. The Internal Audits Organization monitors the implementation of corrective actions and provides regular updates to senior management on the status of outstanding audit issues. This follow-up process ensures that audit findings are addressed promptly and effectively, contributing to continuous improvement within the organization.



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## Risk Management

### Risk Management Structure

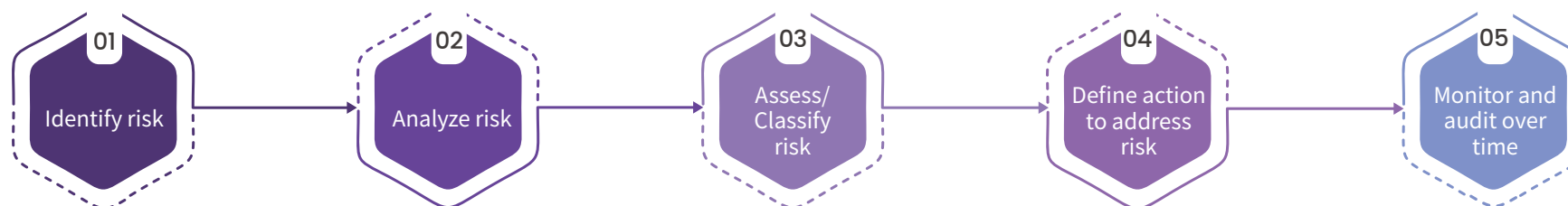
Risk assessments are performed at the operational level within each department to identify potential incidents or process failure. Risk analysis and mitigation planning is performed by department managers. The Corporate Sustainability Team performs strategic-level responsibilities including leadership, risk aggregation, policy implementation, and continuous improvement, as well as interaction with auditors and internal control center. Organizational oversight is conducted by the Board of Directors. The Corporate Sustainability Team reports to GCS Board on the progress update at least once a year.

### Risk Management

#### QA-901c Risk Management Procedure

GCS managers and teams review the key processes performed in their respective area, and identify areas of risk, evaluating both internal and external factors. Various sources of information are used to evaluate risk, i.e., historical data, theoretical analysis, technical knowledge, and the concerns of stakeholders. For each risk, the possible consequences should the risk become reality are also defined.

### Risk Management Process



### Risk Identification

GCS managers and teams review the key processes performed in their respective area, and identify areas of risk, evaluating both internal and external factors. Various sources of information are used to evaluate risk, i.e., historical data, theoretical analysis, technical knowledge, and the concerns of stakeholders. For each risk, the possible consequences should the risk become reality are also defined.

### Risk Analysis

Once defined, a risk is analyzed using FMEA or Risk Ranking to evaluate the likelihood of occurrence and severity should the risk become reality. Based on the FMEA or Risk Ranking scoring, risks that require action are identified.



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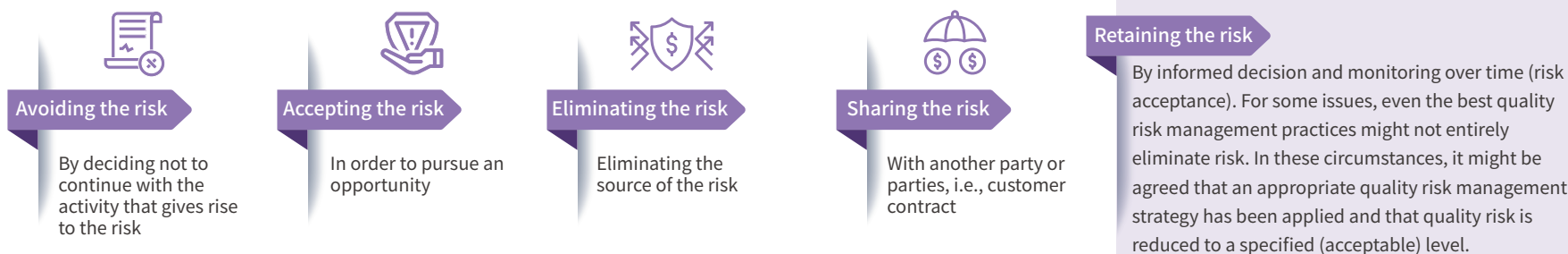
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## Risk Response

Once a risk is identified, one of several actions is taken to address the risk:



When the amount of effort used to reduce the risk is proportional to the significance of the risk, continual improvement may be performed to eliminate or reduce the risk to an acceptable level. Once implemented, the improvements will be monitored over time to ensure the improvement effort does not introduce new risks into the system or increase the significance of other existing risks.

Risks that require action will be monitored and evaluated over time. Continual improvement activities and/or monitoring data are communicated either at the quarterly management review or other regularly scheduled meetings with management in attendance. Quality objectives may be established to monitor the performance of risk activities. Risks that require action include:

● **FMEA**: Any item with an RPN >100 and or Severity scale rating >7

● **Risk Ranking**: Any item with risk ranking (Occurrence x Severity x Detection) >= 24

## Risk Ranking and Response Strategies

Ranking	Relevant Aspect (ESG)	Risk Type	Risk Description	Response Strategy	Control Mechanism	Responsible Division
1	E	Transition Risk	Missed renewable energy regulations	Invest solar panel and battery	Vendor survey, progress monitoring	ESG department
2	E	Transition Risk	GHG emission exceeds the limitation	Process optimizations/ Add more efficient abatement scrubber	Gas usage	Manufacturing Department
1	E	Physical Risk	Acute Physical: Droughts	Improve water usage efficiency/ water usage Avoid unnecessary usage/ water usage	Water bill	Operations
1	E	Physical Risk	Chronic Physical: Rainfall changes	Strengthen flood protection and response abilities/ FAB downtime	FAB down time monitoring	Facility Department

## Risk Reporting and Disclosure

The Corporate Sustainability Team has responsibility for Environmental, Social & Governance activities and oversees alignment between our ESG efforts and our business strategy and financial planning. The team evaluates ESG risks and their potential impact on financial performance, sales, operations and supply chain. The team meets at least quarterly, is responsible for preparing the ESG report, monitors risks and opportunities and oversees the initiatives being undertaken. The team regularly reports to the board of directors.



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## 2.3 Supply Chain Management

### Impact

GCS places strong emphasis on ethical and sustainable supply chain management by integrating ESG factors into supplier evaluation, with a particular focus on human rights, corporate responsibility, and risk control. Effective supply chain management enhances supply stability, reduces operational risks, and improves delivery efficiency and product quality, thereby increasing customer satisfaction and strengthening brand trust. Conversely, poor supply chain practices may result in raw material shortages, rising costs, delivery delays, or non-compliance with regulations, all of which can negatively impact business operations and corporate reputation.

### Policy Commitment

To uphold our commitment to responsible operations, we have established a Supplier Code of Conduct outlining our performance expectations. This code will be shared with all Tier 1 and Tier 2 suppliers by the end of Q3 2025.

### Actions Taken

Tier 1 and Tier 2 suppliers will be required to acknowledge the code of conduct and commit to and abide by their terms.

### Evaluation Mechanism

The quality department will be responsible for confirming whether we achieve our goal each year.

### Objectives

#### Short-term Goals

- Develop ESG Code of Conduct in 2025.
- Achieve 50% local procurement.

#### Medium to Long-term Goals

- Achieve 100% compliance from existing Tier 1 and Tier 2 suppliers in acknowledging the Code of Conduct by the end of 2026.
- Require all new suppliers to acknowledge the Code of Conduct prior to establishing a supplier relationship.
- Incorporate the supplier ESG Code of Conduct into the supplier evaluation process to ensure all suppliers meet sustainability and ethical standards.
- Identify and establish at least 50% alternative materials and suppliers that align with sustainability goals by 2028.
- Achieve 80% local procurement.

### Performance Results

The results planned for 2024 are outlined below.

Goals	Targets	Achievements
Develop Supplier Code of Conduct in 2025	100%	In Progress
Achieve Local Procurement	Reaching 50%	Approximately 70%

### Stakeholder Consultation

- Annual report cards are provided to all Tier 1 suppliers on an annual basis.
- Proof of third-party certification (ISO 9001, AS9100, IATF 16949, ISO/IEC 17025:2017 -calibration service) confirmed on an annual basis for all Tier 1 and 2 suppliers.



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## Supply Chain Overview

GCS operates primarily in the compound semiconductor industry, focusing on wireless radio frequency technology through wafer foundry services. In addition to professional wafer foundry operations, the Company is actively engaged in the research, development, production, and sales of own brand optoelectronic products.

The compound semiconductor industry encompasses various segments, including compound substrates, epitaxial wafers, IC design, wafer fabrication, package testing, module factories, and system factories. GCS adopts a strategic sourcing approach to procure essential materials for manufacturing and operations, covering fabrication materials, factory equipment, maintenance supplies, and non-production consumables. The Company prioritizes direct relationships with manufacturers to ensure quality and cost efficiency, leveraging distributors as a secondary channel.

GCS' s supplier network includes approximately 70 vendors, categorized into tiers based on their strategic significance. Tier 1 suppliers (7 vendors) are key strategic partners, while Tier 2 (32 vendors) and Tier 3 suppliers provide additional support. The Company values long-term partnerships and actively cultivates supplier relationships. The majority of its suppliers are based in the United States (80%), complemented by strategic partnerships across Asia and Europe (20%).

## Supplier Management Policy

GCS recognizes that responsible sourcing is essential to its long-term success. While performance requirements and expectations are currently formalized in our purchase order terms and conditions, we are committed to going beyond mere contractual compliance. To this end, we are developing a Supplier Code of Conduct that articulates our expectations for environmentally and socially responsible behavior. This code, which will be rolled out to all Tier 1 and Tier 2 suppliers by the end of Q3 2025, emphasizes our commitment to human rights, fair labor practices, environmental sustainability, and ethical business conduct. We believe that a strong ethical foundation, combined with clear performance expectations, is crucial for building mutually beneficial and sustainable supplier relationships.

## Supplier Management Mechanism

GCS provides annual report cards to all Tier 1 suppliers. The report cards rate the suppliers on quality, delivery and cost. In 2026, GCS will include signed agreement with the GCS Supplier Code of Conduct. GCS also requires proof of third-party certification (ISO 9001, AS9100, IATF 16949, ISO/IEC 17025:2017 -calibration service) on an annual basis for all Tier 1 and 2 suppliers.

## Supplier Regular Evaluation

Suppliers are evaluated and selected based on evidence that demonstrates their ability to provide products, materials, equipment, or services that meet or exceed GCS' s requirements in terms of quality (RMA, failure to meet specification), delivery (later deliveries) and cost (are products competitive in pricing). Depending on the product or service, onsite audits may be conducted. In fact, 100% of our conflict mineral suppliers have passed third-party audits. On an annual basis, all Tier 1 and Tier 2 suppliers are evaluated based on their ongoing performance. Additionally, raw material suppliers must comply with GCS' s conflict mineral, RoHS, and REACH requirements.

## Annual Supplier Evaluation Results





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## Selection of New Suppliers

We require our suppliers to share our commitment to responsible and fair business practices throughout the supply chain. We specify performance requirements and expectations in our contracts and purchase orders. GCS is very satisfied with the performance of its longstanding suppliers and thus has reason to change suppliers at this time. No new suppliers were added in 2024.

## GCS USA Localization Management

In 2024, approximately 70% of procurement spending was directed to U.S.-based suppliers, supporting local sourcing efforts aligned with GCS USA's operations. This approach enhances product quality and innovation while reducing emissions, costs, and lead times. It also supports local employment and strengthens supply chain resilience.

## Conflict Minerals Management

GCS's commitment to responsible sourcing includes robust due diligence processes for conflict minerals. This involves aligning with established international standards and best practices for ethical sourcing. The company actively engages with relevant industry initiatives and organizations, adhering to responsible sourcing frameworks and requiring its suppliers to procure conflict-free raw materials. Suppliers are mandated to ensure traceability of key minerals used in products, such as gold, tantalum, tungsten, tin, cobalt, and mica. Due diligence procedures require suppliers to adhere to established guidelines, excluding sources from conflict-affected and high-risk areas. Regular reassessments of mineral sources are conducted using industry resources and internal systems. Conflict metal suppliers are required to provide a Conflict Mineral Report, utilizing the latest revision from RMI, on an annual basis.

## SASB Disclosure - Supply Chain Management and Material Procurement

GCS is currently defining the list of critical materials utilized in our manufacturing process. In 2025, a plan will be rolled out for managing the risks associated with the defined critical materials.



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## 2.4 Customer Relationship Management

### Impact

Effective CRM fuels customer satisfaction and loyalty through personalized service, boosting customer lifetime value. It streamlines operations, enhances productivity via centralized data and automation, and cultivates a strong brand reputation and customer advocacy, ultimately driving revenue and profitability.

In contrast, poor CRM leads to customer dissatisfaction and churn due to impersonal service and unresolved issues. Operationally, it causes inefficiencies from data silos and duplicated efforts, damaging brand reputation through negative feedback and hindering profitability due to lost sales and increased acquisition costs.

### Policy Commitment

We continue to uphold our commitment in product quality and reliability through customer-centric practices. Leveraging feedback and data analysis, we will integrate insights into product and service enhancements, ensuring continuous improvement and exceeding customer expectations.

### Actions Taken

We ensure a timely customer feedback integration and issue resolution through a dedicated internal system. In 2024, a cross-functional team established a methodology for root cause analysis and quality monitoring, driving continuous process improvements.

### Objectives

#### Short-term goal

- Continue to engage in customer communication to ensure all feedback is reviewed promptly.
- Provide instant customer feedback and initiate corrective action internally.
- Customer satisfaction reached an A-grade evaluation.
- There were no reported customer complaints

#### Medium to long-term goal

- Maintained customer satisfaction at an A-level rating.
- Achieve 0 customer complaints per year.
- Continue to be customers' foundry of choice with improved scores on the quality score card.

### Evaluation Mechanism

Quality assurance department presents customers a quality score card quarterly.

### Performance Results

In 2024, the Company achieved an A-level rating in customer satisfaction.

No customer complaints were received in 2024.

### Stakeholder Consultation

In 2024, there were a few customer comments related to the visual quality of our wafer products. Although the comments were related to items that were cosmetic in nature and would not impact performance and reliability, GCS strives to improve customers' perception and prevent recurrence of a similar issue in the future.



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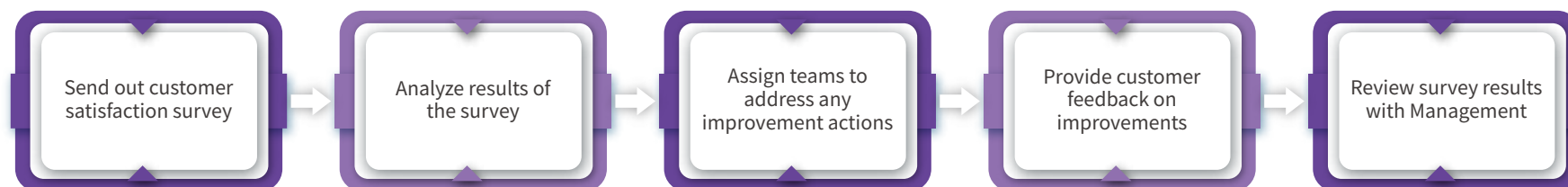
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## Customer Service Strategy

Our primary objective is to provide customers with the necessary technological resources and deliver high-quality products that meet stringent standards for delivery, performance, and value. Dedicated sales and customer service representatives are available to ensure prompt communication and responsive service.

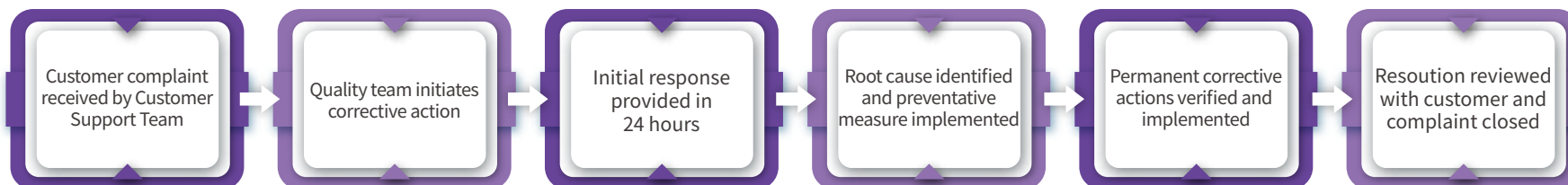
In 2025, GCS offered an extensive portfolio of products designed to address diverse customer requirements. This portfolio included advanced optoelectronic components, such as 200G/lane photodiodes, and next-generation RF Gallium Nitride (GaN), Bulk Acoustic Wave (BAW), and Indium Phosphide (InP) Heterojunction Bipolar Transistor (HBT) technologies.

## Customer Satisfaction Survey



## Customer Complaint Handling Process

Upon receipt of a customer complaint, the GCS customer team initiates immediate engagement with the customer. Following verification of the reported issue, the 8D problem-solving methodology is employed to identify the root cause, implement corrective actions, and establish preventive measures to avoid recurrence. A follow-up assessment is conducted 90 days post-implementation to ensure resolution and confirm customer satisfaction. In 2024 GCS received no significant customer complaints.



## Customer Privacy Policy

GCS is committed to protecting customer intellectual property. Both customer identities and provided information are treated as confidential. All customers are assigned code names to ensure anonymity. Customer product information and design files are regarded as proprietary intellectual property. Design files are stored on a secure file server accessible only by authorized personnel. Data files transmitted between GCS and customer sites are transferred via a secure file transfer protocol (SFTP) server.

Since its establishment in 1997, GCS has maintained a flawless record with respect to customer privacy and data security. We are proud of this achievement and remain steadfast in our commitment to safeguarding customer information. There was no customer data breaches in 2024.

### Customer Communication Channels

TEL : 310-530-7274 x121

Email : [jfraser@gcssemi.com](mailto:jfraser@gcssemi.com)



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## 2.5 Product Quality and Safety

### Impact

Robust product quality and safety management helps reduce defect rates and customer complaints, enhances customer satisfaction and brand trust, and strengthens market competitiveness. Ineffective product quality management can lead to a cascade of negative consequences, beginning with excessive defect rates and culminating in decreased customer satisfaction, damage to brand reputation, and reduced market competitiveness.

### Policy Commitment

GCS aims to be the leading global supplier of specialty compound semiconductor wafer foundry services and optical wafers and chips. To achieve this, we are committed to placing product quality and safety at the core of our corporate strategy. We proactively assess internal and external factors that may impact product safety and quality, including technological, economic, legal, political, social, and environmental aspects.

### Actions Taken

- Regular cross-functional management meetings are held to assess potential risks and opportunities related to product safety.
- Communicate action items to the organization.
- Implement system changes as needed.

### Objectives

#### Short-Term Goals

- Maintains our clear process of handling dangerous resources and no product shall be dispatched until all the activities specified have been satisfactorily completed.
- Continue our 0 violations of laws and regulations related to marketing communications or product/service information and labeling.

#### Medium Goals

- Further streamline the processes for handling and tracking hazardous materials, reduce downtime, and errors.
- Increase training opportunities by 10% for employees.
- Maintain our unblemished record regarding violation of regulation regarding marketing and labeling.

#### Long-term Goals

- Ensure our thorough hazardous materials management system results in operational efficiency, safety, and fulfills sustainability goals.
- Increase training opportunities for employees by 10% and continue providing education on hazardous material management to ensure a safe working environment.

### Evaluation Mechanism

The quality department holds monthly operations and quality meetings to assess quality-related metrics (such as cycle time, on-time delivery, customer satisfaction, etc.) and take corrective actions based on the evaluation results.

### Performance Results

- 100% of the key quality metrics for safety achieved the target in 2024.
- Maintains our clear process of handling dangerous resources and no product shall be dispatched until all the activities specified have been satisfactorily completed.
- Continue our 0 violations of laws and regulations related to marketing communications or product/service information and labeling.

### Stakeholder consultation

Meetings were held with all key suppliers in 2024 to confirm that all each supplier had established quality management procedures.



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## Quality Management Policy

GCS quality policy provides direction for establishing key corporate level performance measures, as well as related objectives and targets. The policy is reviewed at least annually, or as needed based on the changing needs and expectations of relevant interested parties, or risks and opportunities uncovered through the risk management process. Our business philosophy is “Quality First” for our customers and in all aspects of our business and operation. Our commitment to quality emanates from everyone at GCS Holdings, Inc. and is founded on the following principles:

Quality First

Quality in Everything  
by Everyone

Continuous  
Improvement

## Quality Inspection Process

The GCS quality management system (ISO 9001:2015 and AS9100D) facilitates documentation, analysis and continual improvement of the company's best business practices: consistent quality of products and services that meet all customer and applicable statutory and regulatory requirements, enhanced customer and employee satisfaction, profitability and risk management. The QMS applies to external and internal issues affecting the requirements of our customers, stakeholders and interested parties.

Interested Party	Requirement/Expectation	Related QMS Process
Customers	Accurate order, products meet specifications, on time delivery	Design & Development, Foundry Services, Operations
Owners / Shareholders	Profitable company	Foundry Services, Operations
Employees	Training, accurate and timely paychecks	Operations, Plan Work
Suppliers / Vendors	Accurate PO, timely payment of invoices	Plan Work
Regulatory Agencies	Compliance to regulations, general duty clause, ITAR – compliance to regulatory requirements	Plan Work

## Quality System Management Certification

Final inspection and test are required to provide comprehensive confirmation that all product specification requirements have been achieved and verified. These activities are performed in accordance with documented procedures and/or quality plans. No product shall be dispatched until all the activities specified have been satisfactorily completed. Trained personnel review all inspection and testing results.

- ISO 9001:2015

- ASD9100D





## Product Quality and Safety

Safety initiatives at GCS Holdings, Inc. (GCS):

### ● Facility Inspections

Regular facility inspections are a key aspect of the company's safety efforts. Employees are kept informed about the outcomes of these inspections to maintain a safe and compliant work environment.

### ● Safety Communication

The company prioritizes clear communication of important safety information, such as updates on inspections and emergency procedures, ensuring that all employees are well-informed and prepared.

### ● Injury Prevention

GCS has maintained a low injury rate, with only one injury reported in each of the past two years. This reflects the effectiveness of the company's proactive safety measures, including safety training and hazard identification.

In GCS our KPI metrics include cycle time, on time delivery, customer satisfaction and safety. The metric, alongside these initiatives, highlight the company's commitment to a safe workplace through regular inspections, effective communication, and injury prevention efforts. KPI Metrics for 2024 are shown below.

AS9100 Process	2024 Metric
Design & Development	New Product Release
Foundry Services	Avg Sales Order Entry Time
Foundry Services	OTD (HBT)
Plan Work	OTD - Chemical Vendor
	OTD - Metal Vendor

## Hazardous Materials Management

The GCS Hazardous Substance Management Process is a systematic approach to ensure the safe handling, storage, use, and disposal of hazardous materials. This process typically follows these key stages: Identification (determining hazardous substances and their properties), Procurement (acquiring materials following safety protocols), Storage (using proper containment and labeling in designated areas), Usage (ensuring proper handling and personal protective equipment), Monitoring (tracking exposure and workplace conditions), and Disposal (using approved methods to eliminate waste safely). Related measures include conducting risk assessments, implementing spill prevention and control plans, training employees, maintaining Material Safety Data Sheets (MSDS), adhering to applicable regulatory compliance (e.g., OSHA, EPA), and conducting regular audits and emergency drills.

An effective Hazardous Substance Management Process at GCS yields several important results:

- **Enhanced Safety:** Reduced risk of workplace injuries, illnesses, and accidents due to hazardous substances.
- **Regulatory Compliance:** Adherence to OSHA, EPA, and local regulations, avoiding fines or legal consequences.
- **Improved Environmental Impact:** Proper disposal minimizes environmental harm, preventing contamination of air, water, and soil.
- **Operational Efficiency:** Streamlined processes for handling and tracking hazardous materials reduce downtime and errors.
- **Employee Confidence:** Increased awareness and training foster a safety-first culture, leading to higher morale and trust.
- **Cost Savings:** Preventing incidents reduces medical costs, legal fees, and material loss.
- **Sustainability Goals:** Supporting eco-friendly practices enhances corporate responsibility and reputation.

Compliance with external laws and regulations regarding hazardous substances involves adhering to established frameworks that govern the safe handling, storage, use, and disposal of these materials. This includes:

### ● OSHA Standards (Taiwan and US Occupational Safety and Health Administration)

Ensuring workplace safety through compliance with applicable standards such as the Hazard Communication Standard (HCS) and Globally Harmonized System (GHS) which mandate proper labeling, access to Safety Data Sheets (SDS), employee training, and communication of chemical hazards.

### ● EPA Regulations (US Environmental Protection Agency), Regulations of the Ministry of Environment, Taiwan

Adhering to rules under the Taiwan Waste Disposal Act and Resource Conservation and Recovery Act (RCRA) for proper hazardous waste management, including identification, storage, treatment, and disposal, as well as Spill Prevention, Control, and Countermeasure (SPCC) planning.



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## Hazardous Materials Management Training

Comprehensive training on hazardous substances is essential for equipping our employees with the requisite knowledge and skills to handle hazardous materials safely and respond effectively in emergencies. This training typically encompasses the following key components:

### Understanding Hazardous Substances

- Identifying hazardous materials and their associated risks through the utilization of Safety Data Sheets (SDS).
- Recognizing the physical, health, and environmental hazards posed by specific substances.



### Safe Handling Procedures

- Proper utilization of personal protective equipment (PPE), including gloves, goggles, and respirators, tailored to the specific hazards present.
- Handling, transporting, and storing chemicals in accordance with established best practices and all applicable regulatory requirements.



### Emergency Response Actions

- Recognizing the signs and indicators of spills, leaks, or potential exposure incidents.
- Implementing Spill Prevention, Control, and Countermeasure (SPCC) plans to contain and mitigate releases.
- Understanding and adhering to established evacuation protocols and designated assembly point locations.
- Utilizing emergency equipment effectively, such as eyewash stations, fire extinguishers, and spill response kits.



### Mock Drills and Practical Sessions

- Participating in simulated spill or exposure scenarios to practice containment, cleanup, and response procedures.
- Obtaining hands-on experience using PPE and spill response kits in a controlled environment.



### Incident Reporting and Communication

- Reporting spills, leaks, or exposure incidents promptly and accurately to designated supervisors or safety officers.
- Understanding and following GCS's established chain of command during emergency situations.



### Regulatory Awareness

- Gaining an overview of relevant OSHA, EPA, and local regulations pertaining to hazardous substances.
- Developing familiarity with the Hazard Communication Standard (HCS) and its requirements.



### Health and First Aid Training

- Administering appropriate first aid measures for chemical exposure or inhalation incidents.
- Recognizing symptoms of overexposure to hazardous substances and understanding established medical follow-up procedures.



Regular refresher training sessions and thorough assessments ensure our employees remain informed, prepared, and capable of responding effectively to potential hazards, thereby fostering a safer and more secure workplace environment.



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## Customer Health and Safety

GCS is deeply committed to protecting the health and safety of its employees, customers, and communities. This commitment is reflected in our robust approach to assessing and managing the health and safety impacts of our products and services. We ensure full compliance with all applicable customer, industry, legal, and regulatory requirements. This proactive approach allows us to identify and mitigate potential health and safety risks throughout the product lifecycle. In 2024, our dedication to accurate and transparent communication resulted in zero violations of laws and regulations related to marketing communications or product/service information and labeling.

## Marketing and Labeling

We are fully dedicated to ensuring the well-being of its employees, customers, and communities. This commitment also encompasses our practices surrounding product and service information, including labeling, where we prioritize accuracy, transparency, and full regulatory compliance. We take proactive steps to enforce adherence to all relevant acts, ensuring that our products and services meet or exceed the required safety and labeling standards. Our approach to delivering product and service information includes a certificate of conformance for each shipment, including RoHS compliance stamp. We remain focused on ensuring that all information is clear, precise, and easily accessible to our customers. In 2024, our commitment to accurate and compliant communication resulted in zero violations related to product/service information, labeling, or marketing communications.

## SASB Product Lifecycle Management

GCS places great importance on the responsible management of hazardous substances in its foundry operations, recognizing it as a key aspect of regulatory compliance and environmental responsibility. As a foundry and not an end-product manufacturer, we nevertheless actively manage and mitigate the risks associated with hazardous substances used in our manufacturing processes. We comply with a range of domestic and international regulations and standards, including California Proposition 65 (Lead), EU REACH, EU RoHS, and the Montreal Protocol.

In 2025, GCS plans to develop a comprehensive program to identify and quantify the presence of declarable substances listed under IEC 62474 in our wafer fabrication processes. This initiative will include collaboration with suppliers, material testing, and data analysis, aiming to establish a baseline for assessing and disclosing the presence and proportion of such substances in our products.

Key elements of our hazardous substance management approach include:



We regularly review and update our procedures to reflect best practices and evolving regulatory requirements. Because GCS is a foundry and a manufacturer of self-owned brand optoelectronic products, and does not directly produce end-use products, metrics related to energy efficiency at the end-product level are not applicable to our operations.



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## 2.6 Product Innovation and Development

### Impact

Developing high-efficiency, high-speed products reduces power consumption, while process simplification lowers resource use and enhances quality. A more compact design optimizes material use and minimizes waste. However, introducing new products may require extra resources, and rare materials could increase supply chain risks.

### Policy Commitment

To minimize environmental impact, we will establish collaborative partnerships with suppliers to prioritize material recycling and waste reduction protocols during product development.

### Actions Taken

- Continuous investment into R&D expenditures.
- Review product development status quarterly.

### Objectives

#### Short term

- Maintaining R&D capacity:
  - Investment in R&D expenditure reaches 10% of operating income.
  - Maintain 10% of human resources in the R&D group.
- Enhanced Patent Portfolio:
  - Publish 4-5 paper presentations in international technical forums and conferences.
- Pioneering Technology Development:
  - Developed low-trapping GaN HEMT wafers in collaboration with Epi suppliers and delivered samples to two customers with good feedback.

#### Long term

- Maintaining R&D capacity:
  - Sustain 10% of operating income in R&D expenditure.
  - Maintain 10% of human resources in the R&D group.
- Enhanced Patent Portfolio:
  - Public paper presentations in international technical forums and conferences.
- Pioneering Technology Development:
  - Developed Gen 2 BAW technology for 6-7 GHz applications with Delivered samples to customers with good feedback.

### Evaluation Mechanism

- The R&D group is responsible for keeping the same percentage of human resources for product innovation.
- The R&D group is also responsible for initiating projects for novel design.
- The sales team is accountable for rolling in new products with the customer.

### Performance Results

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Maintaining R&amp;D capacity:               <ul style="list-style-type: none"> <li>▸ The proposition of hires in R&amp;D personnel is about 15% of total employees.</li> <li>▸ The expenditures of R&amp;D actions are about 12% of total operating income.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Enhanced Patent Portfolio:               <ul style="list-style-type: none"> <li>▸ 8 patents related to BAW technology have been granted.</li> <li>▸ Publish 2 paper presentations in international technical forums and conferences.</li> </ul> </li> </ul> | <ul style="list-style-type: none"> <li>• Pioneering Technology Development:               <ul style="list-style-type: none"> <li>▸ Developed low-trapping high linearity GaN/SiC epi with a vendor. Delivered samples to customers with good feedback.</li> </ul> </li> </ul> <p>(See the <a href="#">R&amp;D Innovative Strategy</a> section for more information)</p> |
|---|--|---|

### Stakeholder Consultation

R&D results are published in terms of foundry offerings in press releases associated with International Microwaves Symposium or paper publications in technical forums such as CS ManTech conference.



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## Achievements in R&D and Innovation

- Developed high-performance GEN2 AlN and ScAlN BAW filter processes.
- 8 patents related to BAW technology have been granted.
- Publish two paper presentations in international technical conferences.
- Developed OEIC integration process of high-speed InP PIN diode and HBT devices.
- Customers will design new products based on this process to target 200bps and 400bps applications.
- Developed high-frequency InGaP HBT (super HBT) for mmWave PA application.
- Completed development of 0.15um GaN/SiC process for mmWave (up to 30GHz) applications. Officially announced the foundry offer in IMS.
- Completed transition and qualification of 6-inch 0.25 um GaN/Si process to Torrance. Announced foundry offering in IMS.
- Developed low-trapping high linearity GaN/SiC epi with a vendor. Delivered samples to customers with good feedback, and continue to advance collaboration and commercialization.

## R&D Innovative Strategy

GCS's business model focuses on providing foundry services for high-speed advanced wireless and optical communication components based on compound semiconductors such as GaAs, InP, GaN, and AlN materials. As the demand for higher speeds and more bandwidth increases, process technology and device performance have to be improved to meet new requirements. Our Technology Team has been anticipating these demands and working in advance to develop the needed technology to meet the next-generation system needs.

The company's R&D strategy is always market-driven, forward-looking, and to be one step ahead of market demands. We focus on what is needed in the next few years, mostly together with our customers, rather than explore too many wild and far-reaching ideas. By working closely with our customers, we can understand what they need in the near future and get inputs on device performance or cost targets for the next generation of devices. During development cycles, we can also get feedback on any performance gaps and improvements needed relative to the targets.

As an example, when wireless technology went from 2G to 3G to 4G and now 5G, we initially developed InGaP HBT technologies with different versions (P1, P2, P5, D1, D2 ...) and then added GaN technologies (0.4 μm, 0.25 μm and 0.15 μm) to meet the higher bandwidth and power level demands.

Besides the bandwidth performance improvements, our new device technologies (such as GaN HEMT) also provide the world with better power efficiencies and enable systems that consume less energy and carbon footprints. In manufacturing, we also review and revise our process technologies to reduce the waste and hazardous materials usage in order to meet environmental requirements.

Unit: NTD in thousand

Item/Amount	FY2022	FY2023	FY2024
R&D expenses	175,008	246,043	230,139
Operating income	1,333,810	1,350,604	1,750,044
Proportion of operating income (%)	13%	18%	13%

Unit: Number of people

Project/number of people	FY2022	FY2023	FY2024
R&D personnel	31	28	25
Total number of employees	166	170	156
Proportion of total employees (%)	19%	16%	16%

## R&D Challenges and Approach

Since GCS business focuses mostly on high-speed advanced wireless and optical communication components based on compound semiconductors such as GaAs, InP, GaN, and AlN materials. As future markets are demanding higher speeds and more bandwidths, device geometries will become smaller and smaller beyond the limits of i-line optical stepper lithography, which is our current workhorse.

To "print" such small geometries (< 250 nm), advanced tools like deep UV, and EUV steppers are preferred. However, these tools will cost more than \$10M each, which is hard to justify the investment with a business of our size. It is impractical for us to invest in such expensive lithography tools currently. This is a key challenge for our future R&D activities.

Fortunately, we have worked with one of our customers to consign an E-beam Lithography (EBL) machine to GCS, which we can use to develop processes with < 100 nm geometries. Our next-generation GaN HEMT devices for mmWave (>30 GHz) applications are being developed with EBL technology.



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## Innovation and Intellectual Property

GCS encourages employees to come up with innovative ideas to enhance our technologies and improve our processes in both RF and Optoelectronics Technologies. We have significantly improved upon our previous HBT technology at 5G frequency bands resulting in higher efficiency and less energy consumption. Some of these ideas have been filed as patents and some kept as trade secrets. So far, GCS already has 17 granted patents, and one is still pending.

		GCS USA	GCS Taiwan
Patents	Number of Applications Submitted	18	0
	Patents Granted	17	2
	Patents Under Review	1	2

		GCS USA	GCS Taiwan
Trademark	Domestic and International Trademarks Applied For	0	0
	Trademarks Under Review	0	0

GCS invests significant resources annually to develop new products and services, develop cutting-edge technologies and manufacturing processes, develop and market its brands, and maintain competitively sensitive information and data in confidence. For instance, our patent on “Embedded Source field plate GaN HEMT structure” has demonstrated better gain therefore better efficiency, and therefore will have less energy consumption when operating base stations. All these critical assets include Intellectual Property which is entitled to a number of legal protections including Patents, Trade Secrets, Copyrights, Trademarks/Service Marks, and Proprietary Information, all of which the company invests in significantly to enhance competitiveness across its business portfolio.

GCS Intellectual Property policy states that all creations by employees, including inventions, designs, software code, written works, and marketing materials, are considered company property and should be disclosed to the supervisor and legal team for potential protection through patents, trademarks, copyrights, or trade secrets owned solely by GCS; employees must sign confidentiality agreements and are prohibited from disclosing confidential company information to outside parties without authorization.

## Industry-Academia Activities

GCS frequently has formal or informal collaborations with US universities and colleges in business and technology development. Here are a few examples:

- GCS and the University of Illinois (Professor Milton Feng) had a joint project developing advanced InP HBT technology.
- GCS and Georgia Tech (Professor Chang) had a joint project developing GaN ohmic contact and passivation processes.
- GCS and MIT (Professor Thomas Palacios) had a joint project developing high-voltage GaN technology for power electronics.
- GCS frequently utilizes the facility and equipment in the UCLA Nano lab for unique process development. We have recently completed a customer-funded diamond dry etch project with UCLA's equipment.
- GCS has hired several summer interns from UCLA to work on short technical projects, where the students also obtain valuable industrial experiences while working at GCS.
- GCS employees have attended professional training classes offered by El Camino College in recent years.



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## 2.7 Cybersecurity and Protection

### Impact

A strong cybersecurity posture significantly impacts a company by safeguarding critical operations and data, preventing costly disruptions and financial losses, and maintaining customer trust and brand reputation. Conversely, weak cybersecurity can lead to severe operational failures, substantial financial damage from breaches and recovery efforts, and a loss of customer confidence and reputational harm that can be difficult to rebuild. Ultimately, robust cybersecurity is crucial for business continuity, financial stability, and long-term stakeholder trust, while inadequate measures expose organizations to significant risks and potential failures.

### Policy Commitment

We are committed to robust cybersecurity, prioritizing confidentiality, integrity, and availability of information assets. We implement stringent security measures to prevent unauthorized data access and foster a culture of cybersecurity awareness. Continuous improvement through regular assessments, vulnerability management, and ongoing training ensures responsible data protection.

### Actions Taken

We maintain a robust cybersecurity program to safeguard digital assets and mitigate risks, encompassing: comprehensive employee security awareness training, focusing on phishing prevention and data handling; enhanced endpoint security, fortified network perimeter defense, and restricted data access. These measures demonstrate our commitment to data privacy, secure operations, and stakeholder trust, ensuring responsible digital stewardship.

### Objectives

#### Short-term goal

- Maintain our record of zero intrusions and attacks
- Maintain our well-developed custom security event monitoring system

#### Medium to long-term goal

- Complete Implementation of ISO 27001 Certification
- Increase employee training and awareness on potential attacks
- Continue routine risk assessments to further strengthen our cybersecurity program

- Continue to develop our custom security event monitoring system in accordance to technological advances
- Expand current staff and upgrade our cybersecurity technology alongside industry standards
- Increase utilization of AI technologies within our cyber security program

### Evaluation Mechanism

We analyze our success through maintaining our performance results, reports up monthly and annually.

### Performance Results

- Zero virus intrusions and zero ransomware attacks in 2024.
- One campaign is conducted annually, engaging 175 participants, with each user receiving approximately one hour of training per year.
- No complaints received in 2024 regarding customer privacy violations or data loss.
- Successfully blocked over 100,000 unauthorized access attempts targeting the FTP server in real time
- Detected and quarantined over 50 malicious code attacks targeting employee workstations

### Stakeholder Consultation

All employees are selected each month for phishing email testing, with ongoing monitoring of the results. Test outcomes are compiled into graphical reports and forwarded to management and audit teams for review. The KnowBe4 vendor server software sends an email to each user that is selected as part of a campaign. We get email reports from the vendors with a list of users that have not completed the requested training. We contact those users via email, then contact their supervisors if they do not respond. We get a monthly email with an HTML graphic showing phishing test results for all users. I forward Phishing results monthly to management and our auditors.



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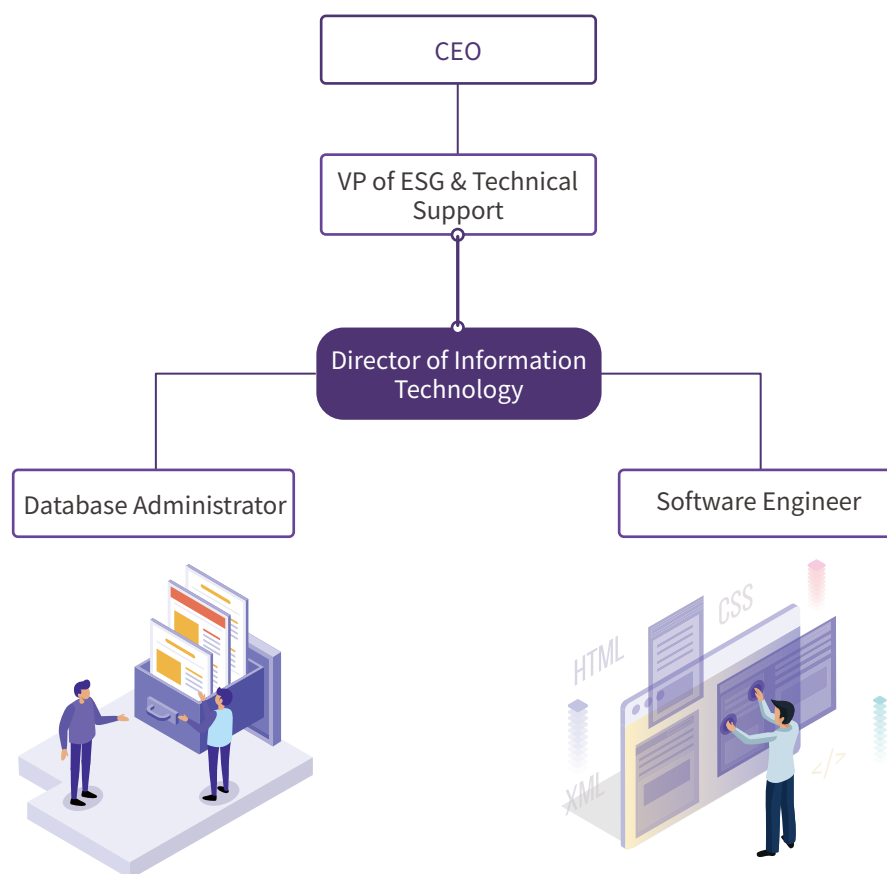
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## Major Information Security Incident Response Process

During FY2024, the Company's Cybersecurity Incident Response Plan was actively executed, leveraging multiple layers of automated and manual controls to detect, prevent, and mitigate information security incidents. Our custom-developed security event monitoring system identified and automatically blocked over 100,000 unauthorized access attempts targeting the Company's FTP server. This real-time blocking prevented any potential data exfiltration. The SentinelOne endpoint protection platform detected and quarantined over 50 attempts to execute malicious code on employee workstations. Upon detection, the SentinelOne agent immediately halted execution of the suspicious files and generated automated email alerts to notify the Security Operations team for further investigation. The Security Operations team confirmed the malicious nature of the quarantined files through thorough analysis and subsequently terminated them. SentinelOne's advanced behavioral AI capabilities enabled the platform to identify and block these novel attacks without relying on traditional signature-based detection methods, demonstrating its ability to protect against zero-day threats. All detected incidents were meticulously logged and reported to the appropriate regulatory agencies in compliance with applicable data breach notification statutes. This proactive and multi-layered approach underscores the Company's unwavering commitment to robust cybersecurity practices.

## Information Security Organizational Structure



## Cybersecurity Commitment

The company is unwavering in its commitment to protecting its digital assets and sensitive information through a comprehensive, multi-layered cybersecurity program. This program includes mandatory cybersecurity awareness training for all employees to ensure they understand their role in maintaining a secure environment. Robust endpoint protection measures, such as advanced endpoint detection and response (EDR) software, regular patch management, and strict access controls, are implemented to prevent unauthorized access and data breaches. Additionally, state-of-the-art network firewalls continuously monitor traffic to identify and mitigate potential vulnerabilities and malicious activity.

The company is committed to transparency in disclosing material cybersecurity risks and incidents, as well as clearly communicating its cybersecurity policies and procedures. We adhere to all applicable laws, regulations, and industry standards related to cybersecurity, data protection, and privacy. Our cybersecurity framework aligns with recognized standards, ensuring the continuous improvement of security controls. All users undergo yearly security awareness training from KnowBe4.com, in addition we test all users with fake phishing emails, monthly. Employees are required to report any suspected or actual cybersecurity threats in accordance with established protocols, and a dedicated incident response plan is in place to effectively manage and mitigate security events.

Cybersecurity policies, controls, and incident response plans are regularly reviewed and updated to address emerging threats, vulnerabilities, and regulatory changes, ensuring an adaptive and effective security posture. All employees, contractors, and relevant third parties must comply with the company's cybersecurity policies and procedures as a condition of employment or engagement. Violations may result in disciplinary action, including termination and potential legal consequences. Through proactive strategies and ongoing vigilance, the company safeguards the confidentiality, integrity, and availability of its information assets, fostering a secure environment for its operations, clients, and stakeholders.



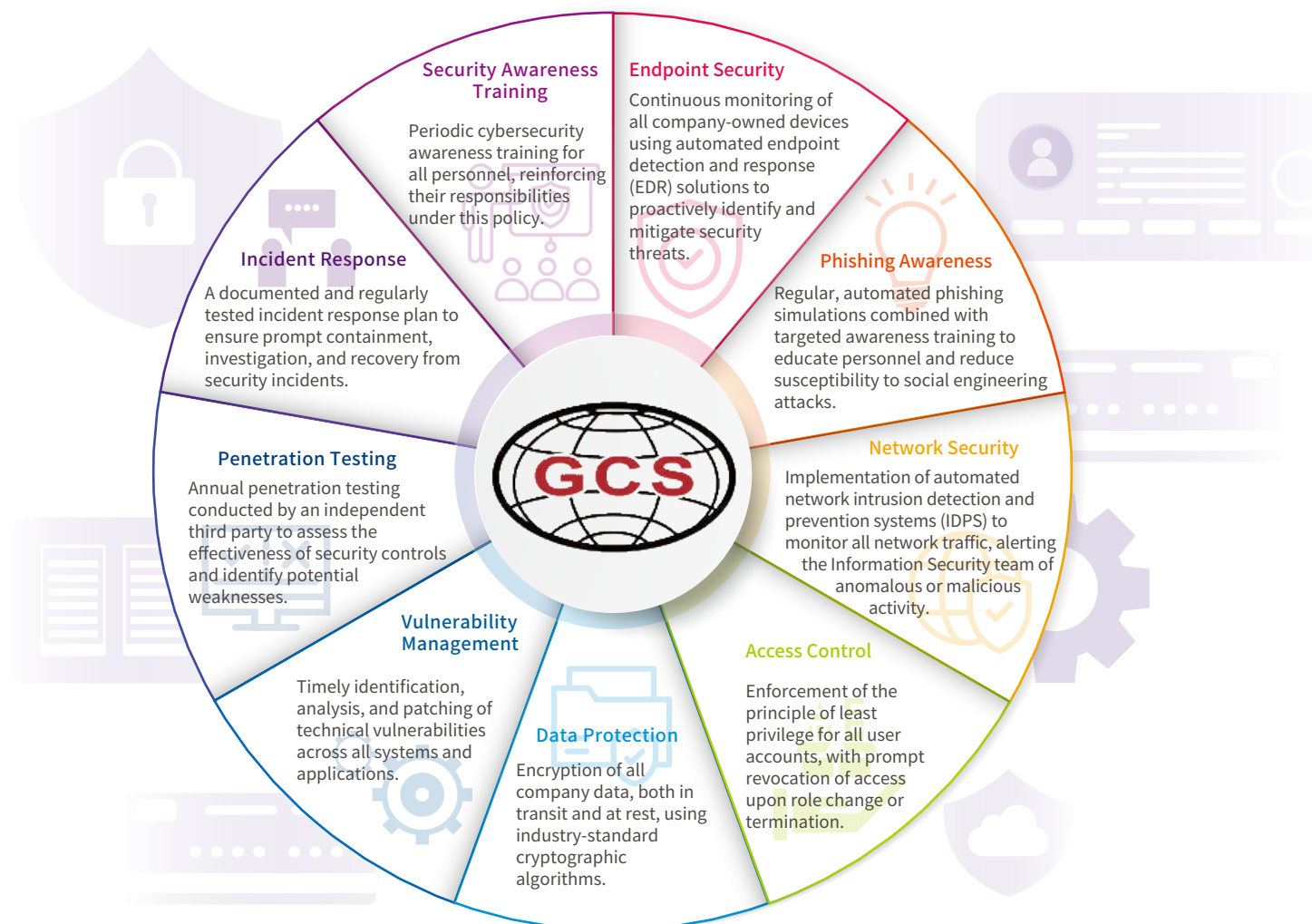
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## Cybersecurity Management Policy

The Company maintains a comprehensive Cybersecurity Management Policy to ensure the confidentiality, integrity, and availability of its information assets. This policy mandates several key measures:



Compliance with this Cybersecurity Policy is mandatory and overseen by the Director of Information Technologies under ESG and Technical Support department, who reports directly to executive leadership and the board of directors.



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## Cybersecurity Management Mechanism

The Company has established a comprehensive cybersecurity management mechanism to safeguard its digital assets, data, and systems. This mechanism encompasses multiple layers of security controls and solutions, including but not limited to the following measures:

- **Endpoint Protection:** All company-owned devices are equipped with SentinelOne endpoint protection software to detect and prevent malware, ransomware, and other cyber threats.
- **Security Awareness Training:** All employees are required to participate in KnowBe4 mandatory security awareness training, which educates them on identifying and reporting potential security risks, such as phishing attacks.
- **Email Security:** Microsoft 365 advanced email protection and filtering is implemented to block spam, viruses, and malicious attachments, ensuring secure email communications.
- **Cloud Environment Security:** The AWS Virtual Private Cloud (VPC) is securely configured with proper access controls, data encryption, and network segmentation to prevent unauthorized access.
- **Network Perimeter Defense:** FatPipe perimeter security appliances are deployed to monitor and control traffic entering and leaving the company's network, enhancing overall cybersecurity.
- **Enterprise-Grade Network Connectivity:** AT&T and Cox Business Communications enterprise-grade networks provide redundancy to ensure high service availability.

The Company's IT department regularly reviews automated alerts and reports generated by these systems to proactively identify and mitigate security incidents or anomalies. Additionally, management conducts periodic risk assessments to evaluate the effectiveness of existing security controls and make informed decisions to further strengthen the Company's cybersecurity posture.

## ISO 27001 Certification

While the company has not yet achieved ISO 27001 certification, we recognize its importance and are committed to pursuing it in the future. We are currently evaluating the resources and expertise required to implement an Information Security Management System (ISMS) aligned with ISO 27001 standards. We plan to engage additional staff with the necessary experience or engage an external contractor to guide us through the certification process as soon as management approves the allocation of resources.

## Information security education and training

All employees are required to complete mandatory cybersecurity training on a regular basis, as determined by the Information Security Officer. This training is crucial for educating employees about potential security threats, best practices for data protection, and their responsibilities under applicable laws, regulations, and company policies. Specifically, the training will cover:

- **Potential security threats:** Understanding the evolving landscape of cyberattacks, including phishing, malware, ransomware, and social engineering tactics.
- **Best practices for data protection:** Implementing effective security measures, such as strong passwords, secure email practices, data handling procedures, and recognizing suspicious activity.
- **Employee responsibilities:** Adhering to company policies, legal requirements, and regulatory obligations related to data security and privacy.

Training will be conducted through the KnowBe4.com platform or a similar service approved by the Information Security Officer. This ensures access to high-quality, up-to-date training content. Employees will be notified of required training modules and provided with a reasonable timeframe for completion. Supervisors are responsible for ensuring their team members complete the training promptly. To reinforce training and assess employee awareness, the company will conduct automated phishing tests at least monthly. These simulations help identify vulnerabilities and measure the effectiveness of the training program. Employees who fail a phishing test will be required to complete additional remedial training to address specific knowledge gaps. This targeted approach ensures continuous improvement in security awareness. Repeated failures of phishing tests or a demonstrated disregard for security protocols may result in disciplinary action, up to and including termination of employment. This underscores the company's commitment to protecting its systems and data. The Information Security Officer will maintain comprehensive records of employee training completion and phishing test results. This documentation is essential for tracking progress, demonstrating compliance, and identifying areas for improvement. By actively participating in required training and diligently applying the lessons learned, employees play a vital role in safeguarding the confidentiality, integrity, and availability of the company's information assets. A strong security culture depends on the vigilance and cooperation of every member of the organization.

## Customer Privacy Protection

GCS is committed to upholding customer rights and ensuring the privacy of their information. The company adheres to pertinent legal frameworks, regulatory requirements, and established international standards in its operational practices. Recognizing the importance of transparent communication and responsive engagement, GCS provides accessible channels, including telephone and online platforms, for customers to address any inquiries or concerns. Furthermore, the organization has implemented defined procedures for the management and resolution of customer feedback, reinforcing its dedication to safeguarding customer interests, including the protection of personal data. In 2024, we did not receive any complaints regarding customer privacy violations or data loss.

# CH3

- 3.1 Workplace Well-being
- 3.2 Occupational Safety and Health
- 3.3 Human Rights Protection
- 3.4 Social Prosperity





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## 3.1 Workplace Well-being

### Talent Attraction and Retention

#### Impact

Prioritizing workplace wellbeing has a significant positive impact, leading to increased productivity, reduced absenteeism, improved employee engagement, and a healthier, more positive work environment, ultimately benefiting both employees and the organization.

GCS prioritizes employee referrals, recruiter partnerships, and industry job board advertising for talent acquisition. To enhance retention, we offer competitive compensation, career development through training, and a positive work environment.

#### Policy Commitment

We are dedicated to attracting, developing, and retaining top talent to fuel our success. We prioritize a culture of respect, recognition, and retention, creating a workplace where employees feel valued, engaged, and motivated—key to both individual and company success.

#### Actions Taken

We have enhanced talent attraction and retention by optimizing recruitment channels, partnering with universities, and offering summer internships to identify future talent. The company is committed to attracting underrepresented groups and expanding the talent pool, ensuring a skilled and diverse workforce.

#### Evaluation Mechanism

To evaluate workplace well-being effectively, Human Resources uses a combination of methods, including surveys direct observation, and data analysis of documents and records, to assess employee well-being and identify areas for improvement.

#### Objectives

##### Short-term Goals

Setting goals like improving communication, learning a new skill, or enhancing time management, while focusing on a healthy work-life balance helps to improve workplace well-being in the short term.

- Lower employee turnover below 10% by strengthening retention strategies and engagement.
- Achieve at least 85% employee satisfaction through surveys, feedback, and targeted improvements.
- Create a supportive, growth-focused workplace that aligns with our commitment to employee well-being.

##### Medium-Term, Long-Term Goals

These initiatives reinforce our dedication to a diverse, engaged, and high-performing team.

- Reduce employee turnover below 8% by strengthening company culture and prioritizing growth and well-being.
- Achieve at least 90% employee satisfaction through continuous improvements in benefits, career development, and the work environment.
- Increase female managers to 30% by implementing mentorship and leadership training programs.

#### Performance Results

- 2024 Employee Retention rate reaches 90.75%
- 2024 Employee Turnover Rate reaches 15.9%
- 2024 Parental leave return-to-work rate reached 100%.

#### Stakeholder Consultation

In 2024, we hosted campus recruitment events to highlight our benefits and compensation, ensuring candidates understood our competitive offerings. Additionally, labor-management meetings fostered open discussions on improving employee benefits.



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## Employee Structure and Distribution

As of December 31, 2024, our total workforce consists of 157 full-time employees, with 4 based in Taiwan and 153 in the USA. The workforce includes 19 senior executives, 8 mid-level managers, and 130 general employees.

Of these, 5 employees require a work visa, accounting for 3.18% of the total workforce.

The gender breakdown is as follows: male employees make up 68.15%, while female employees represent 31.85%, with female managers comprising 25% of the management team.

In terms of age distribution, 6.37% of employees are aged 30 and below, 37.58% are between 30 and 50, and 56.05% are over 50 years old.



Note 1: Permanent Employees: Refers to employees with an indefinite employment contract.

Note 2: Temporary Employees: Employees contracted for a specific period. Their contract ends either when the specified period expires or upon completion of a specific task or event (e.g., the end of a project or the return of the employee being replaced).

Note 3: Full-Time Employees: Employees who are contracted without a fixed term (i.e., indefinite) and whose working hours per week, month, or year are defined according to the relevant laws and practices of the country regarding working hours.

Note 4: Part-Time Employees: Employees who are contracted without a fixed term (i.e., indefinite) and whose working hours per week, month, or year are less than those of full-time employees.

Note 5: Non-Hourly Guaranteed Employees: Employees who are not guaranteed a minimum or fixed number of working hours per day, week, or month, but may need to be available to work as required.

## Employee Count

Category	Taiwan		USA		Total	
	Male	Female	Male	Female	Male	Female
High-Level Executives	0	1	17	1	17	2
Mid-Level Managers	1	0	2	5	3	5
General Employees	0	2	87	41	87	43
<b>Total</b>	<b>1</b>	<b>3</b>	<b>106</b>	<b>47</b>	<b>107</b>	<b>50</b>
Permanent Employees <sup>note1</sup>	1	3	106	47	107	50
Temporary Employees <sup>note2</sup>	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>106</b>	<b>47</b>	<b>107</b>	<b>50</b>
Full-Time Employees <sup>note3</sup>	1	3	106	47	107	50
Part-Time Employees <sup>note4</sup>	0	0	0	0	0	0
Non-Hourly Guaranteed Employees <sup>note5</sup>	0	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>3</b>	<b>106</b>	<b>47</b>	<b>107</b>	<b>50</b>
Age Group						
Less than 30 Years	0	0	7	1	7	1
30-50 Years (inclusive)	1	3	49	15	50	18
Over 50 Years	0	0	50	31	50	31
<b>Total</b>	<b>1</b>	<b>3</b>	<b>106</b>	<b>47</b>	<b>107</b>	<b>50</b>
Diversity Indicators						
White	0	0	14	1	14	1
Black/ African American	0	0	4	0	4	0
American Indian/ Alaska Native	0	0	0	0	0	0
Asian	1	3	54	30	55	33
Native Hawaiian or Other Pacific Islander	0	0	2	1	2	1
Hispanic or Latino	0	0	32	15	32	15
<b>Total</b>	<b>1</b>	<b>3</b>	<b>106</b>	<b>47</b>	<b>107</b>	<b>50</b>



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## Diverse Workforce Statistics

Diversity	Content	Percentage (%)
Gender Diversity	Percentage of Female Employees (%)	32%
	Percentage of Female Mid-level Management (%)	3%
	Percentage of Female Senior Management (%)	1%
Age group diversity	Under 30 years old (%)	5%
	30-50 years old (%)	43%
	over 50 years old (%)	52%

## Non-Employee Workers

Types of Workers	Contractual Relationship	Head Count
Security Guard	Agency Workers	2
Temporary Staff	Agency Workers	3

## New Employees and Departing Employees

We are committed to equitable hiring practices, adhering to all regulations, and ensuring a workplace free from discrimination. By leveraging diverse recruitment channels, we attract top talent while showcasing our culture, performance, and values.

Regarding employee changes in 2024, female employees accounted for 2% of the departures (6 female employees). Additionally, 2 female employees aged 30-50 years (inclusive) were hired, representing 22% of new hires. For employee changes in 2024, employees aged 30 years (inclusive) or younger accounted for 24% of departures (6 employees), employees aged 30 to 50 years (inclusive) made up 36% of departures (9 employees), and employees over 50 years represented 40% of departures (10 employees).

In terms of retention, employees aged 30 years (inclusive) or younger accounted for 100% of retention, employees aged 30 to 50 years (inclusive) represented 50% of retention, and employees over 50 years made up 50% of retention.

## New Employees

Categories	Taiwan		USA		Total	
	Male	Female	Male	Female	Male	Female
Under 30 Years Old	0	0	4	0	4	0
30-50 Years Old (Inclusive)	0	1	1	1	0	2
Over 50 Years Old	0	0	2	0	2	0
Total	0	1	7	1	7	2

## Resigned Employees

Categories	Taiwan		USA		Total	
	Male	Female	Male	Female	Male	Female
Under 30 Years Old	0	0	6	0	6	0
30-50 Years Old (Inclusive)	0	1	7	1	7	2
Over 50 Years Old	1	0	5	4	6	4
Total	1	1	18	5	19	6

2024	
Rate of new employee	6%
Rate of employee turnover	16%
Voluntary Termination	16
Voluntary Termination Rate	10%
Retention rate	91%
Number of Employees at the End of 2023	173
Number of Employees at the End of 2024	157



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## Employee Compensation

GCS is committed to a fair and inclusive workplace, ensuring no discrimination based on identity, background, or personal traits. We have structured salary, performance evaluation, and benefits policies, conducting regular assessments to ensure compensation reflects both individual contributions and business performance.

In addition, our recent 5% merit increase exceeded industry averages, demonstrating our commitment to attracting, retaining, and rewarding top talent with competitive pay.

### Total Compensation Ratio

FY	Annual Total Compensation of the Highest-Paid Individual in the Organization	Median Annual Total Compensation of All Employees (excluding the highest-paid individual)	Annual Total Compensation Ratio
2024	US \$515,885	US \$69,997	7.37
2023	US \$524,487	US \$67,646	7.75
2024	Percentage Increase in Annual Total Compensation of the Highest-Paid Individual in the Organization	Percentage Increase in Median Annual Total Compensation of All Employees (excluding the highest-paid individual)	Annual Total Compensation Change Ratio
	0%	3.48 %	3.45%

### The Ratio of Women's Basic Salary and Compensation to Men's

Average Basic Salary of Women to Men (Female: Male)		
Categories	Taiwan	USA
High-level Executives	N/A	0.91: 1
Mid-level Manager	N/A	0.89: 1
General Employees	N/A	0.92: 1

Average Compensation of Women to Men (Female: Male)		
Categories	Taiwan	USA
High-level Executives	N/A	0.9: 1
Mid-level Manager	N/A	0.9: 1
General Employees	N/A	0.88: 1

Note 1: Senior Management Positions: The highest level of management, typically including executives, directors, and other key leaders who oversee and direct the organization's strategic direction and operations.

Note 2: Middle Management Positions: The level of managers between senior executives and first-line managers, overseeing departments or groups within an organization.

Note 3: Disclosure Path for Full-Time Employee Salary Information (Non-Managerial Positions): Market Observation Post System > Individual Company > Corporate Governance > Corporate ESG > Corporate ESG Information > ESG Information Disclosure (Individual Company Search) > Social Aspect – Human Resource Development Indicators.



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## Employee Benefits

We prioritize our employees by offering competitive compensation, full legal protections, and a flexible benefits program, which includes health and life insurance, retirement savings, performance bonuses, and regular team events. Additionally, we comply with all relevant regulations, including Taiwan Labor Standards Act, the Fair Labor Standards Act, and the WARN Act, to ensure our employees' rights are fully protected. In line with these regulations, the Company typically provides 30-60 days' notice to employees prior to implementing significant operational changes that could substantially affect them.

Insurance	Maternity/Parental Leave Benefits
<ul style="list-style-type: none"> <li>Medical, Dental and Vision Insurance</li> <li>Company Paid Long Term Disability and Life Insurance</li> </ul>	<ul style="list-style-type: none"> <li>Pregnancy Disability Leave</li> <li>FMLA (Family Medical Leave Act)</li> <li>CFRA (California Family Rights Act)</li> </ul>
Bonus Benefits	Health Initiatives
<ul style="list-style-type: none"> <li>Paid Time Off (PTO)</li> <li>Paid Holidays</li> <li>Flexible Spending Account (FSA)</li> <li>Dependent Care (FSA)</li> <li>Health Savings Account (HSA)</li> <li>Employee Assistance Program</li> </ul>	<ul style="list-style-type: none"> <li>Medical</li> <li>Dental</li> <li>Vision (eye care)</li> <li>Long Term Disability Life Insurance</li> </ul>
Retirement	
<ul style="list-style-type: none"> <li>401(k) with 4% company match</li> <li>The employees of the Taiwan subsidiary are covered under the Labor Pension Act and related regulations, with pension contributions made accordingly.</li> </ul>	
Other benefits	
<ul style="list-style-type: none"> <li>Supplemental Insurance</li> <li>Voluntary benefits such as pet insurance</li> <li>Miscellaneous benefits, such as gym membership discounts and cell phone discounts</li> </ul>	

## Parental Leave

The Company has established a parental leave system in accordance with the Gender Equality in Employment Act and the Labor Standards Act to support employees in balancing work and family life. We actively encourage all employees, regardless of gender, to take advantage of parental leave, fostering an inclusive and supportive workplace culture. By promoting work-life balance, we aim to create an environment where employees feel valued and empowered to manage both their professional and family responsibilities.

Categories	Taiwan		USA	
	Male	Female	Male	Female
Total Number of Employees Who Took Parental Leave in FY2024	0	1	0	2
Total Number of Employees Who Actually Used Parental Leave in FY2024	0	1	0	2
Total Number of Employees Expected to Return to Work After Parental Leave in FY2024	0	1	0	2
Total Number of Employees Who Actually Returned to Work After Parental Leave in FY2024	0	1	0	2
Total Number of Employees Who Returned to Work After Parental Leave in FY2023	0	0	0	0
Total Number of Employees Who Remained Employed for One Year After Returning to Work in FY2023	-	-	-	-
Return Rate	-	100%	-	100%
Retention Rate	-	-	-	-

## Labor-Management Communication

Although the company has not established a labor union nor signed any collective bargaining agreements, we place great importance on protecting employee rights and maintaining stable labor relations. We also hold regular all-hands meetings to promote open communication and actively listen to employee feedback, fostering a transparent and inclusive dialogue environment. Furthermore, the company respects freedom of association and supports participation in various employee groups to enhance their sense of involvement and belonging.



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## Talent Cultivation and Development

### Impact

GCS fosters talent development through a comprehensive learning system and tuition reimbursement, enhancing skills, retention, and satisfaction. By offering access to training, employees can enhance their job competencies, minimizing poor performance and inefficiencies.

### Policy Commitment

GCS offers access to the ADP learning system and reimburses required training costs to boost skills, communication, and collaboration. By fostering a culture of continuous learning, GCS creates an environment that supports professional development while improving programs through awareness, evaluation, and data-driven insights.

### Actions Taken

We expand ADP courses to include emerging technologies and leadership skills, introduces incentives, and uses data analytics to track progress. By updating content, enhancing communication, and gathering feedback, we ensure continuous growth and organizational success.

### Evaluation Mechanism

- Management conducts regular evaluations, distributed by Human Resources to assess employee growth and performance.
- Provide ongoing feedback to guide development.
- Monitor progress through performance reviews to align with company goals.
- Use evaluation insights to improve training and address gaps.

### Objectives

#### Short-term Goals

- Increase ADP course engagement by 20% in six months.
- Add three new courses on project management and leadership this quarter.
- Launch a campaign within three months to inform employees about available programs.
- Implement a survey system with a 70% participation target.

#### Medium-Term Goals(1~3 years)

- Increase employee participation in ADP and other training systems by 50%.
- Launch specialized programs in advanced semiconductor technologies and management, with at least 30% department-wide participation.
- Raise employee retention by 10% through targeted growth initiatives and recognition programs.

#### Long-Term Goals (3~5 years)

- Position GCS as an industry benchmark with 90% employee satisfaction in training programs.
- Ensure 100% of employees participate in at least one development program annually.

### Performance Results

- Achieve a total of 828 training hours in 2024.
- Implement a survey system with a 70% participation target.

### Stakeholder Consultation

We utilize ADP employee survey software to obtain feedback from employees regarding training needs as well as other needs related to skills development.



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## Education and Training

To ensure the sustainable development of the company and effectively address market and industry challenges, we conduct talent strategy development consensus meetings for management, revise training regulations, and implement capability assessments for employees at all levels. Through systematic and continuous talent development programs, we aim to inspire employees to realize their potential and enhance performance. Additionally, we provide diverse learning resources to encourage self-improvement.

GCS has established a structured training system that offers role-specific training and safety training to support professional growth and ensure a safe work environment. We regularly refine training programs based on employee feedback to continuously improve learning effectiveness. Through training, we equip employees with the necessary skills and tools to retain talent and drive organizational growth while maintaining a safe and productive workplace.

## Internal Training Programs

### Orientation Training

Helps new employees become familiar with the work environment, company vision, organizational structure, regulations, and business operations.



### Management Training

Enhances leadership and strategic thinking for supervisors at all levels, strengthening organizational management effectiveness.



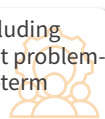
### Professional Training

Improves technical skills required in various functional departments to support employees' job responsibilities.



### General Knowledge Training

Equips employees with essential workplace skills, including communication, work management, and independent problem-solving, ensuring alignment with the company's long-term business goals.



## Safety Training

GCS prioritizes workplace safety by providing regular safety training for all employees, including:

### General Workplace Safety

Standard procedures to minimize risks and ensure safe work practices.



### Emergency Procedures

Training on fire, earthquake, and emergency response protocols to ensure employee safety.



### Job-Specific Safety Training

Specialized training for technical and production employees on equipment operation, hazardous materials handling, and industry-specific risks.



### First Aid & CPR

Selected employees are certified in first aid and CPR to ensure workplace emergency preparedness.



By integrating structured training, safety education, and continuous improvement, GCS fosters a workplace that supports talent development, employee retention, and long-term business success.

In 2024, a total of 163 employees participated in training sessions at GCS, accumulating 870 hours of training. The average training time per employee reached 5.54 hours.

Total Training Hours for Participants

Region	Taiwan			USA			Total		
Position	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Management	12	12	24	31.5	3.75	35.25	43.5	15.75	59.25
Middle Management	0	0	0	15.75	3.75	19.5	15.75	3.75	19.5
General Staff	0	18	18	532.75	240.5	773.25	532.75	258.5	791.25
Total Training Hours	12	30	42	580	248	828	592	278	870

Number of Employees Receiving Training

Region	Taiwan			USA			Total		
Position	Male	Female	Total	Male	Female	Total	Male	Female	Total
Senior Management	1	1	2	18	3	21	19	4	23
Middle Management	0	0	0	9	3	12	9	3	12
General Staff	0	1	1	92	35	127	92	36	128
Total Number of Employees	1	2	3	119	41	160	120	43	163



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Employee Average Training Hours	5.54
Average Training Hours for Male Employees	5.53
Average Training Hours for Female Employees	5.56
Average Training Hours for Senior Management	3.12
Average Training Hours for Middle Management	2.44
Average Training Hours for General Staff	6.09

Training Target Audience	Training Program Overview	Training Program Content	Training Frequency	Course Duration	Annual Participation
New Hire	Safety Training	Company Safety Overview	Each new hire	2 hours	10
	Fab Safety Protocols	Fab Safety Protocol and Policy Overview	Each new hire	4 hours	10
	Orientation	Company Policy Overview, including GCS Mission Statement, Company Handbook, Information Technology Security Guidelines, and Employment Standards	Each new hire	1 hour	10
Managers	Sexual Harassment Prevention	Required for all new managers and all manager every other year	Every other year	2 hours	15
Common Ground	Sexual Harassment Prevention	Required for all new hires and employees every other year	every other year	1 hour	150
	Workplace Violence Prevention	Required for all new hires and employees every other year	every other year	2 hours	160

## Employee Performance Evaluation

The GCS annual performance management and development cycle includes feedback and annual goals and personal development plans. All employees receive performance and career development reviews except for senior management, reporting to the President and CEO. The GCS culture encourages supervisors to lead by example and foster good relationships through open communication with employees across our organization.

Number of Employees Receiving Regular Performance and Career Development Reviews				
Position	Male	Female	Total	Proportion
Senior Management	0	0	0	0%
Middle Management	20	5	25	16%
General Staff	81	41	122	78%
Total number of employees receiving regular performance and career development reviews	101	46	147	94%
Proportion	64%	30%	94%	-
Total number of employees	157			

Note 1: Senior managers are not subject to performance and career development evaluation, so coverage is not 100%.



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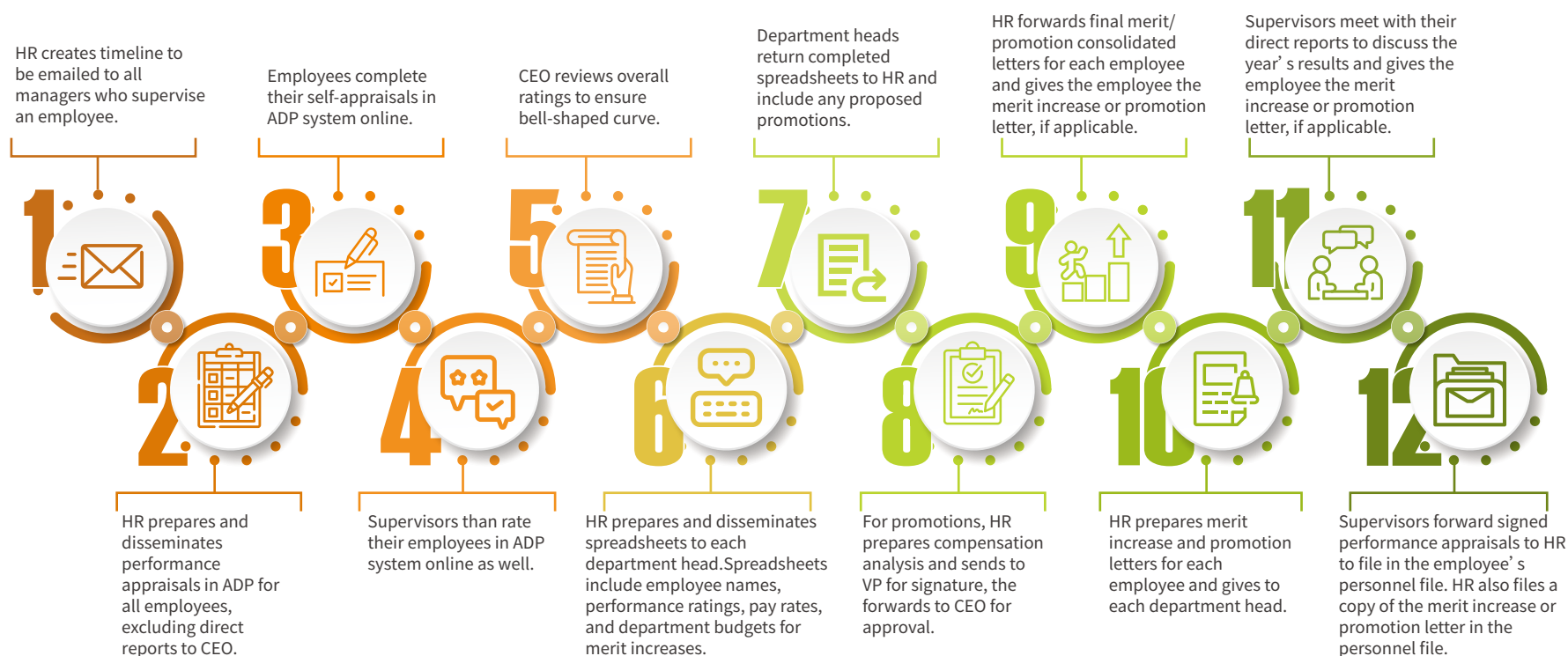
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## Performance Management System Process Flowchart



## Programs for Upgrading Employee Skills and Transition Assistance Programs

We are committed to supporting our employees throughout their careers, from skill development to career transitions. Whether employees are seeking professional certifications or degrees or preparing for retirement or career changes, we provide resources to help them succeed.

### • Tuition Assistance

Employees looking to earn certifications or degrees beyond GCS training programs can apply for tuition assistance, demonstrating our commitment to continuous learning and career growth.

### • Career Transition Support

For employees retiring or leaving the company, we offer retirement planning resources, financial counseling, and access to savings plans. Employees are encouraged to leverage external job placement services and networking opportunities to enhance future employability.



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## 3.2 Occupational Safety and Health

### Impacts

An unsafe work environment can cause injuries, health issues, reduced productivity, and legal risks, damaging efficiency and reputation. Non-compliance with safety regulations may lead to fines and operational disruptions, threatening long-term sustainability. Poor safety management can also undermine employee trust and retention.

### Policy Commitment

GCS complies with all relevant health and safety regulations and depends on employees to maintain safe, hazard-free work environments.

### Actions Taken

- Regularly identify hazards and implement engineering controls, administrative controls, and PPE to ensure workplace safety.
- Provide safety training on protocols and task-related risks, along with health monitoring programs like hearing tests and respiratory evaluations to detect occupational diseases early.
- Ensure proper equipment upkeep and conduct emergency drills to enhance workplace safety and readiness.
- Adhere to OSHA regulations to maintain a safe and healthy work environment.

### Objectives

#### Short-Term Goals

- Achieve zero workplace injuries.
- Maintain less than 3 occupational injuries.

#### Medium to Long-Term Goals

- Maintain zero workplace injuries.
- Maintain less than 1 occupational injury.
- Increase the average hours of occupational safety training per employee by 20 hours.

### Evaluation Mechanism

The HR department at GCS evaluates safety goals by monitoring incident reports, audits, employee feedback, health checks, and training assessments. We focus on accident reduction, compliance, and employee confidence in safety through surveys. Health monitoring detects risks early, while training participation and knowledge retention are tracked.

### Evaluation Mechanism

GCS' s Human Resources Department evaluates the achievement of safety goals through the monitoring of incident reports, audit findings, employee feedback, health examinations, and training effectiveness assessments. We place great importance on reducing incidents, ensuring regulatory compliance, and enhancing employee confidence in workplace safety, all of which are measured through surveys. Health monitoring supports early risk detection, while training participation rates and knowledge retention serve as key indicators for evaluation.

### Performance Results

- Zero major occupational injuries occurred in 2024.
- 100% safety compliance across departments.
- Safety training participation consistently exceeding 90%.

### Stakeholder Consultation

Our occupational safety-related discussions take place through multiple channels to ensure effective communication. These include regular safety meetings, toolbox talks, and digital platforms where employees can access updates and share concerns. Additionally, key safety topics are reinforced through refresher training sessions, which are now housed in the employee training section for easy reference.



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## Overview of Occupational Safety and Health

GCS' s Occupational Health and Safety Management System (OHSMS) is a framework that systematically manages health and safety risks, ensuring a safe and healthy work environment for employees. This system aims to reduce risks, ensure compliance with safety regulations, and improve overall safety performance through policies, procedures, and controls designed to minimize workplace hazards and prevent accidents, injuries, and illnesses.

GCS' s Occupational Health and Safety Management System (OHSMS) follows ISO 45001 and other international standards, adopting a structured approach to minimize occupational health and safety risks. It covers risk assessments, employee training, safety protocols, and emergency response plans, ensuring a safe and compliant work environment. The system applies to 100% of employees, including full-time, part-time, and non-hourly guaranteed employees, providing comprehensive protection through safety regulations, risk assessments, and training.

OHSMS covers all personnel exposed to workplace hazards, whether operating equipment, handling materials, or working in high-risk environments. It ensures access to necessary safety training, protective equipment, and support.

Contractors and temporary workers are covered under their employer' s occupational safety programs and workers' compensation insurance. GCS ensures insurance compliance and requires all on-site personnel to follow GCS safety protocols, guaranteeing proper protection for all workers.

## Occupational Hazard Identification and Risk Assessment Process

To ensure a safe working environment, GCS identifies and assesses occupational hazards through routine and non-routine evaluations. This process utilizes a structured approach to eliminate hazards and minimize risks, leveraging a hierarchical control system. It encompasses several key steps.

### Hazard Identification and Risk Assessment

- **Hazard Identification and Classification**

GCS identifies workplace hazards through inspections, incident reviews, employee feedback, and regulatory research, categorizing them into physical, chemical, biological, ergonomic, and psychosocial hazards. Exposure levels, frequency, and affected personnel are documented for further risk evaluation.

- **Risk Assessment and Control Measures**

Using a Risk Matrix, hazards are evaluated by likelihood and severity, with control measures including hazard elimination, safer substitutions, engineering controls, administrative measures, and PPE to minimize risks.

- **Implementation, Monitoring, and Continuous Improvement**

GCS establishes safety procedures, trains employees, and regularly monitors and adjusts control measures. Hazard identification, risk assessments, and corrective actions are documented to ensure compliance. Internal and external audits, along with incident reviews, drive continuous improvement for a safer work environment.

### Risk Assessment Classification

- **Routine Assessments**

These are conducted periodically through inspections and monitoring of workplace conditions, such as machinery, equipment, and materials. Employees and managers are encouraged to report potential hazards. Regular risk assessments are performed to identify new or evolving risks in day-to-day operations.

- **Non-Routine Assessments**

These occur in response to changes in work processes, such as new projects, equipment, or procedures. Non-routine assessments also cover emergencies or unusual situations that may present safety risks, like severe weather or high-risk tasks.



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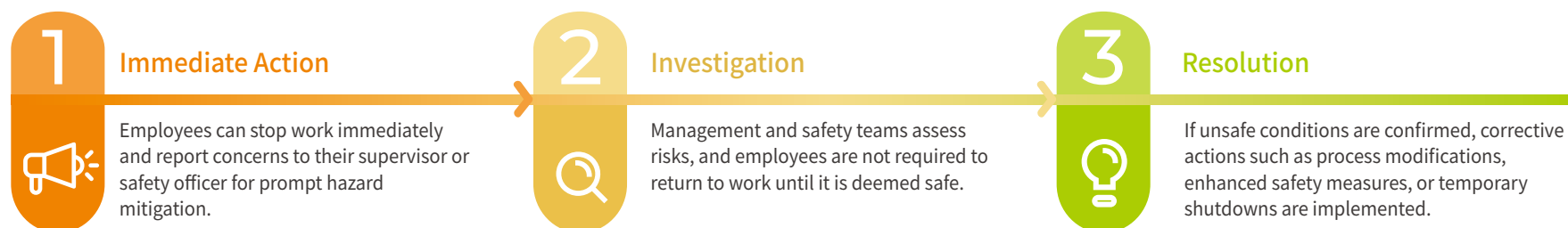
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## Worker Reporting Process for Occupational Hazards and Dangerous Conditions

GCS is committed to a safe and healthy workplace and allows employees to leave any work situation they believe may cause injury or illness, aligning with OSHA and relevant regulations on the right to refuse unsafe work. This right is communicated to all workers through safety training and orientation. If an employee feels that continuing a task could lead to injury or illness, they can stop work immediately without fear of consequences.

Implementation Process:



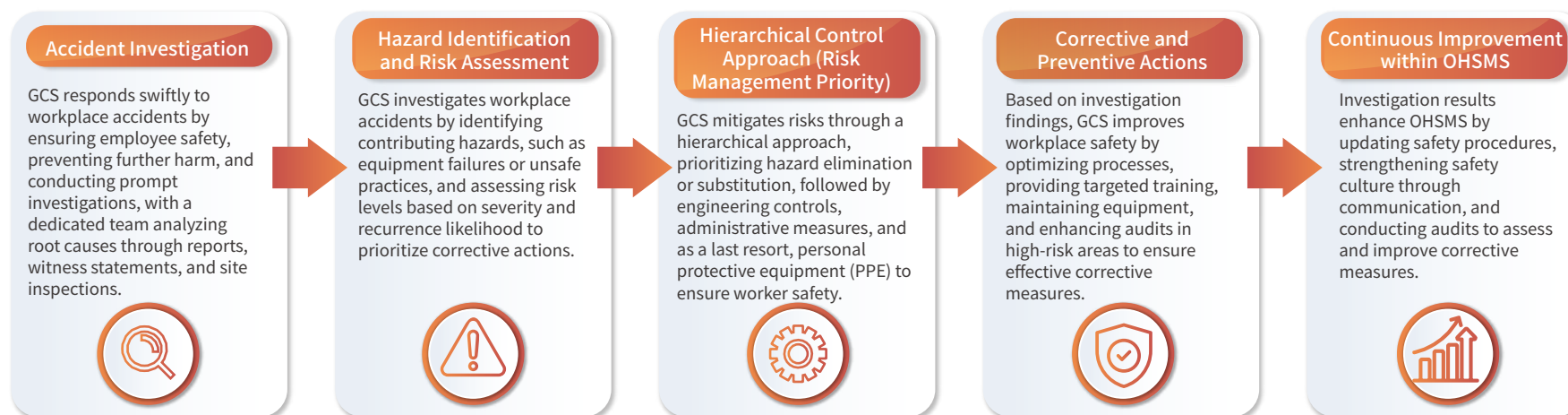
## Employee Protection

GCS enforces a strict non-retaliation policy, ensuring employees face no punishment, harassment, or unfair treatment for refusing unsafe work. Training and awareness programs reinforce workplace safety, and employees are encouraged to report any concerns, which will be promptly investigated.

By implementing this policy, GCS fosters a safety-first culture, empowering employees to prioritize their well-being without fear, while promoting best practices in occupational health and safety to prevent workplace injuries and illnesses.

## GCS Occupational Accident Investigation and Prevention Process

GCS follows a structured process to identify hazards, assess risks, and implement corrective actions to prevent recurrence, including:





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## Worker participation, consultation, and communication on occupational health and safety

At GCS a formal health and safety committee with both management and worker representatives has not been established due to the company's small size. However, the company ensures effective communication through an open-door policy, where employees are encouraged to raise any health and safety concerns directly with management or relevant safety officers. This informal approach fosters continuous feedback, enabling the identification of hazards, the reporting of issues, and the discussion of improvements.

Meeting attendance is based on the relevance of the topic to an individual's responsibilities. Only those directly involved in the matter are present. Discussions focus solely on the most pressing safety issue at the time to ensure effective resolution. Management and employees are responsible for adhering to established safety procedures, identifying and mitigating hazards, and maintaining a safe work environment. There is no specific certification required for supervisors; they are only required to follow procedures and complete the necessary safety training.

In place of a formal committee, regular safety meetings are held to discuss safety protocols, assess risks, and gather input from workers. Decisions regarding safety practices and policies are made by management, but worker input is continuously sought and valued. This approach prioritizes accessibility, responsiveness, and an inclusive safety culture, ensuring that all employees have a platform to voice concerns and contribute to safety discussions. Our system maintains a good balance by fostering a collaborative environment where workers actively participate in safety practices, without the need for a formal committee structure. This approach has proven effective in promoting engagement and accountability, ensuring that safety remains a shared responsibility among all team members.

## Occupational Safety and Health Education and Training

At GCS we provide a comprehensive range of occupational health and safety training to ensure that workers are equipped to handle potential hazards in the workplace. This training is delivered both online through the ADP Learning Management System (LMS) and in classroom environments for hands-on, interactive learning.

### ● Specific Training

- **Chemical Safety**  
Handling hazardous chemicals, proper storage, and spill response procedures.
- **Machinery Safety**  
Safe operation of heavy machinery, including lockout/tagout procedures to prevent accidental machine startup during maintenance.
- **Electrical Safety**  
Proper precautions when working with electrical systems, including understanding electrical hazards and how to prevent them.
- **Ergonomics for Specific Roles**  
Detailed training for those in positions that require physical strain (e.g., lifting, standing for long periods) to minimize injury risk.
- **Earthquake Safety**  
On October 17, 2024, we participated in the Great California Shakeout, conducting an earthquake evacuation drill to reinforce response protocols and safety compliance. A post-drill review further enhanced emergency preparedness.

### ● General Training

- **Emergency Procedures**  
Basic steps for responding to accidents, fires, and other emergencies.
- **Personal Protective Equipment (PPE)**  
Proper selection and use of PPE to mitigate common risks.
- **Fire Safety**  
Evacuation drills, fire extinguisher use, and fire prevention strategies.
- **Workplace Ergonomics**  
Ensuring a safe working posture to avoid repetitive stress injuries.

### ● Ensuring Quality of Training

We ensure the quality of the training through partnerships with third-party providers, such as ADP, and the expertise of our internal team. Training modules are regularly updated to comply with regulatory standards, including those from OSHA and the US National Institute for Occupational Safety and Health (NIOSH). Additionally, we assess the effectiveness of training through regular follow-up evaluations, practical tests, and feedback surveys from employees.





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## Collaborating with Suppliers and Customers to Implement Occupational Safety and Health Management

At GCS the organization works closely with its business partners, suppliers, and service providers to prevent and mitigate significant Occupational Health and Safety (OHS) impacts that may arise from its operations, products, or services. This collaborative approach ensures that hazards and risks are addressed effectively across the supply chain.

### Business Relationships for Prevention and Mitigation

- **Supplier and Vendor Engagement**

GCS ensures that suppliers and vendors adhere to strict safety standards that align with the company's OHS policies. This includes conducting regular assessments and audits of suppliers' health and safety practices to ensure they are compliant with relevant regulations. GCS also requires that suppliers provide products and services that do not introduce new health risks to employees or customers.

- **Third-Party Consulting**

GCS works with external safety consultants, such as ADP, to evaluate and mitigate risks associated with products, operations, and services. These consultants help the company identify hazards that could pose a risk to worker safety, such as exposure to hazardous materials or machinery, and recommend corrective actions.

- **Training for Suppliers and Contractors**

Suppliers and contractors are provided with handouts, site walkthroughs, or on-demand training based on their specific tasks and safety requirements. The training is tailored to their roles and focuses on practical, situational learning rather than standardized course titles or large group sessions. This ensures that all relevant personnel are equipped with the essential knowledge for safe operations.

## Addressing Hazards and Risks

### Collaboration with Industry Associations

GCS participates in industry groups that focus on health and safety standards, ensuring the company stays informed about the latest safety innovations and regulatory changes. These relationships help GCS refine its safety practices and ensure that both internal and external activities align with best practices. We also maintain ongoing communication with regulatory authorities, such as Taiwan's Occupational Safety and Health Administration and the U.S. Occupational Safety and Health Administration (OSHA), based on actual business needs. Our in-house team manages day-to-day safety practices, and external collaborations are primarily focused on ensuring that we remain aligned with industry standards and any regulatory updates.

### Examples of Methods to Mitigate Risks

- **Hazardous Material Handling**

GCS ensures that hazardous materials are stored and handled in compliance with Occupational Safety and Health Administration (OSHA) regulations. This includes providing employees with the proper training, personal protective equipment (PPE), and emergency response protocols to minimize the risk of exposure.

- **Safety Audits and Reporting**

GCS regularly conducts internal safety audits to identify areas of improvement. The results of these audits are shared with employees and external stakeholders, ensuring that everyone is aware of potential risks and the actions taken to address them.

By maintaining strong relationships with suppliers and third-party experts, implementing rigorous safety controls, and continuously assessing risks, GCS works to prevent and mitigate health and safety impacts related to its operations and services.



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### ● 2024 Occupational Safety Training Overview

Course	Participants	Training Hours
General Safety Awareness	157	1
IIPP	157	1
Emergency Response Plan	157	0.5
Right to Know	157	0.75
Personal Protective Equipment (PPE)	72	0.75
HAZCOM/Prop.65	72	1
SWPPP Awareness	72	0.5
Fire Extinguisher Use	157	0.5
COVID-19 Prevention	157	0.5
Workplace Violence Prevention	157	1
Radiation Safety	27	2
Electrical Safety	22	1.5
Toxic Water Pollution Handling	5	2
Respiratory Protection	31	1
HAZWOPER	22	40

Course	Participants	Training Hours
Hearing Conservation	22	0.75
Hot Work	22	1
Ergonomics	157	0.75
First Aid/CPR/AED	1	6
Machine Guarding	22	1
Laser Safety	72	1
Forklift Training	11	6
Elevated Work Platforms	11	2
Forklift Extensions	11	0.5
Fall Protection	11	2
Bench Grinder Safety	22	0.5
Ladder Safety	22	0.75
Confined Space Entry	22	2
SCBA	22	2



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## Occupational Disaster Statistics

### Occupational injuries

In 2024, GCS recorded one occupational injury, where an employee sustained a strain in the middle finger of her left hand due to prolonged repetitive work. The case has been properly handled, corrective actions have been taken to prevent recurrence, and the injured employee has received appropriate medical care. No occupational injuries involving non-employees occurred in 2024.

Possible causes of occupational injuries include performing the same tasks for extended periods, lack of adequate rest, and repetitive motions leading to musculoskeletal strain. To prevent similar incidents in the future, we have investigated the root cause and implemented the following corrective measures:

- **Job Rotation**

The affected employee's tasks have been adjusted to include rotation with other less repetitive tasks, reducing continuous strain on the hands and providing necessary rest.

- **Ergonomic Improvements**

Workstation designs have been reviewed, and ergonomic adjustments have been implemented to optimize hand positioning and reduce strain.

- **Safety Awareness Training**

Employees have been provided with enhanced training to raise awareness of the risks associated with repetitive motions and best practices for injury prevention.

- **Ongoing Monitoring**

Daily inspections are conducted by team supervisors to ensure the effectiveness of corrective actions, and continuous employee feedback is used to further optimize workplace safety.

These improvements align with best practices recommended by OSHA (Occupational Safety and Health Administration) and the US NIOSH (National Institute for Occupational Safety and Health) to minimize the risk of musculoskeletal disorders caused by repetitive motions and ensure occupational health and safety for employees.

## Occupational diseases

In GCS, occupational disease hazards include high-temperature and noise exposure, ionizing radiation, metal grinding dust, and chemical exposure, which may impact health, such as reproductive health damage, mucosal irritation, and respiratory issues. To reduce risks, the company regularly conducts workplace environmental monitoring to ensure that the concentration of hazardous factors remains within permissible limits. A tiered health management system is also in place to ensure employee exposure levels comply with safety standards.

To further mitigate risks, the company has implemented a job rotation system to reduce prolonged exposure to hazardous environments and provides protective equipment such as dust masks and earplugs. Employees undergo regular health check-ups, with occupational disease screenings for high-risk workers. Additionally, safety education and occupational health management programs are conducted to enhance employee awareness and ensure a safe working environment.

Our Recordable Occupational Injuries Rate of 0.60 in 2024 is considered very good. During the year, only one recordable injury occurred. For context, the average OSHA (Taiwan and U.S.) Recordable Injury Rate across industries is typically around 3.0 or higher, depending on the sector. A rate as low as 0.60 reflects a strong safety culture and the effectiveness of our safety protocols. This result indicates that safety measures are being properly implemented and that workplace injuries are rare within our operations.

- **Occupational Injury Statistics Table in 2024**

Annual		2024	
Area		Taiwan	US
Total Working Hours (hours)		6,946	333,134
Occupational Injuries	Number of General Occupational Injuries (days lost within 180 days)	-	-
	Number of Severe Occupational Injuries (days lost greater than 180 days)	-	-
	Number of Recordable Occupational Injuries	-	1
	Number of Occupational Injury Deaths	-	-
	Days Lost <sup>1</sup>	-	-
	Rate of Severe Occupational Injuries <sup>2</sup>	-	-
	Rate of Recordable Occupational Injuries <sup>3</sup>	0.00	0.60
Occupational Diseases	Rate of Deaths Due to Occupational Injuries <sup>4</sup>	-	-
	Number of Occupational Diseases	-	-
	Number of Occupational Disease Deaths	-	-
	Rate of Deaths Due to Occupational Diseases <sup>5</sup>	-	-
Number of Recordable Occupational Diseases		-	-

Note 1: From the date of injury or death, the total number of lost workdays for a single case includes the days the injured party is temporarily (or permanently) unable to return to work, excluding the day of injury and the day of return to work. However, it includes all intervening days (including Sundays, holidays, or shutdown days) and any days lost due to the injury after returning to work.

Note 2: Severe Occupational Injury Rate = (Number of Severe Occupational Injuries (excluding deaths) × 200,000 hours) / Total Hours Worked.

Note 3: Recordable Occupational Injury Rate = (Number of Recordable Occupational Injuries × 200,000 hours) / Total Hours Worked.

Note 4: Rate of Deaths Due to Occupational Injuries = (Number of Deaths Due to Occupational Injuries × 200,000 hours) / Total Hours Worked.

Note 5: Rate of Deaths Due to Occupational Diseases = (Number of Deaths Due to Occupational Diseases × 200,000 hours) / Total Hours Worked.



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## Occupational Health Services

We provide comprehensive occupational health services through preventive and corrective measures to ensure employee well-being, including:

### ● Medical Health Checkups and Occupational Risk Assessment

- Health screenings and medical evaluations: Regular health checks are conducted to detect any signs of work-related illnesses, such as hearing loss, respiratory issues, or musculoskeletal disorders.
- Exposure monitoring: Health professionals assess exposure levels to harmful substances, such as chemicals or noise, and recommend controls to reduce these risks.

### ● Elimination and Minimization of Risks

- Personal Protective Equipment (PPE) Implementation: When hazards cannot be eliminated, occupational health professionals recommend appropriate personal protective equipment (PPE), such as hearing protection for noisy environments or respiratory protection for exposure to airborne chemicals.
- Workplace Ergonomic and Safety Adjustments: In cases where work-related illnesses or injuries are identified, the health services team may recommend ergonomic adjustments, changes in work procedures, or shifts in job responsibilities to reduce strain or exposure.

### ● Preventive Services

- Vaccination programs: Offering vaccinations for employees, particularly in sectors where there is a risk of infectious diseases.
- Health education: Providing training and awareness programs about safe work practices, proper ergonomics, and personal health management to prevent work-related illnesses.

### ● Ensuring Quality of Services

- Qualified health professionals: The company employs or partners with certified occupational health nurses, physicians, and safety professionals who are trained in industry-specific health risks and safety regulations.
- Regular audits and evaluations: The services provided are regularly reviewed through audits, internal assessments, and feedback from workers. This ensures that the services are effective and meet both employee needs and regulatory standards.
- Access to services: GCS ensures that workers have easy access to occupational health services by making them available on-site and through regular health screenings. Additionally, the services are promoted through company communications to ensure that all employees are aware of the resources available to them.

### ● Employee Support and Accessibility

- Confidentiality: Employee health records and participation in health services are confidential to encourage individuals to seek help without fear of privacy violations.
- Convenient access: The services are made accessible through scheduled appointments, on-site health screenings, and a clear reporting process for any work-related health concerns.



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## Promotion of worker health

### Health Promotion and Personal Well-being

Currently, GCS has not established formal voluntary health promotion programs or specific health services targeting non-occupational health risks. However, the company encourages employees to actively maintain their overall health and take preventive measures to reduce potential health risks. GCS emphasizes the importance of personal health management and encourages employees to fully utilize existing medical and health resources, fostering a proactive and healthy corporate culture.

### Encouraging Regular Health Checkups

GCS recommends that all employees visit their primary care doctor for an annual physical examination to monitor and manage their general health. This recommendation is based on the understanding that regular check-ups can help detect potential health issues early, preventing more serious conditions from developing.

### Utilizing Health Insurance Wellness Programs

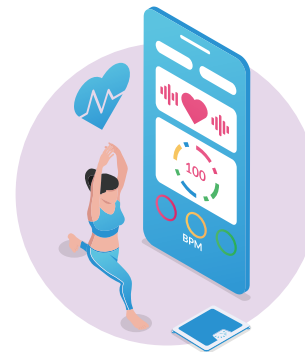
Employees are encouraged to take advantage of wellness and preventive health services available through their healthcare insurance plans, which may include:



Health screenings and preventive care programs



Mental health support and counseling services



Fitness and exercise programs



Smoking cessation programs

Information about these health resources is communicated through internal newsletters and safety meetings to ensure employees are aware of the available support options.



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## 3.3 Human Rights Protection

### Human Rights Policy

GCS is committed to respecting all internationally recognized human rights as outlined in the UN Guiding Principles on Business and Human Rights, the International Bill of Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work. We conduct thorough human rights due diligence across our entire value chain, identifying and addressing fundamental rights such as freedom from discrimination, personal freedom and safety, job security and fair labor conditions, freedom of speech and expression, right to family life, freedom of assembly and association, and the elimination of forced labor. Our due diligence process includes monitoring, investigation, and the collection of information. We have established accessible grievance mechanisms and provide regular training to employees and suppliers. We publish annual reports on our human rights performance, track key performance indicators, and engage with stakeholders to ensure transparency and accountability. We strive to foster a culture of respect for human rights, promote diversity and inclusion, and advocate for human rights within our industry and beyond.

### Human Rights Risk Identification and Assessment

The company adheres to Taiwan and California labor laws such as minimum wage requirements, paid sick leave, meal breaks, and supports the fundamental principles outlined in international conventions such as the “Universal Declaration of Human Rights,” the “United Nations Global Compact,” and the “International Labor Organization (ILO) Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy.” In alignment with these guiding principles, the company has established a human rights policy to ensure that all relevant personnel are treated with fairness and dignity. The company is committed to respecting human rights in its hiring, management, and development practices.

GCS has referenced international human rights conventions, relevant guidelines, and human rights due diligence reports from leading companies to identify key human rights risk issues. After evaluating the potential human rights risks within its value chain, these risks have been incorporated into the company’s human rights risk assessment process. This year, an internal human rights risk assessment was conducted through an online employee questionnaire.

The questionnaire assessed the “likelihood” and “severity” of various human rights risk issues:

Likelihood was rated as follows:

- 0 = unlikely to occur,
- 1 = low probability (1% - 30%),
- 2 = moderate probability (31% - 60%),
- 3 = high probability (above 61%).

Severity was rated as follows:

- 0 = no impact,
- 1 = minor impact,
- 2 = serious impact,
- 3 = very serious impact.

Based on the survey results, a “Human Rights Risk Matrix” was generated, and the risks were categorized into three levels:

**High Risk:** Likelihood score above 1 and Severity score above 2   **Medium Risk:** Likelihood score above 1 and Severity score below 2   **Low Risk:** Likelihood score below 1



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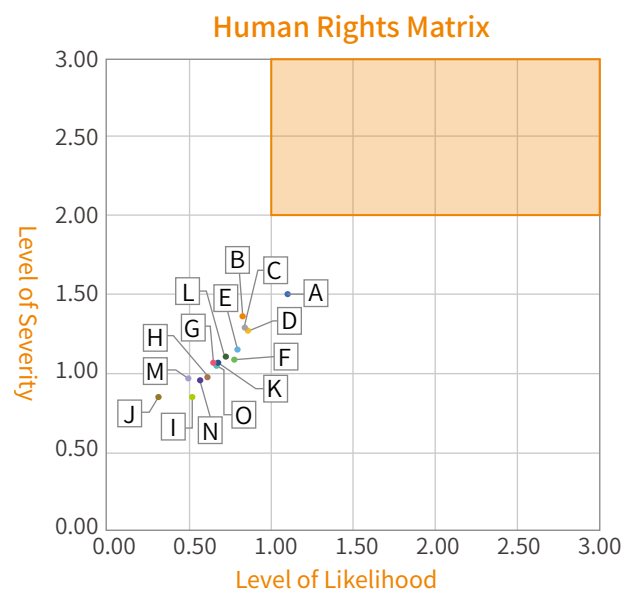
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A total of 81 questionnaires were completed, and the results are as follows:



Risk Issues	Product	Rank
A User Privacy Protection	1.66	1
B Personal Freedom and Safety	1.14	2
D Health Right (1)-Providing Occupational Health and Safety Education and Training	1.11	3
C Job Security and Fair Labor Conditions	1.09	4
E Health Right (2)-Ensuring Health Measures	0.92	5
F Freedom of Speech and Expression(1)-Providing Channels for Speech and Expression	0.85	6
L Non-discrimination (2)-Promotion and Advancement	0.82	7
K Non-discrimination (1)-Recruitment	0.73	8
O Right to Family Life (2)-Preserving Family Life Rights	0.72	9
G Freedom of Speech and Expression (2)-Safeguarding Freedom of Speech and Expression	0.70	10
H Freedom of Assembly and Association (1)-Support and Benefits	0.60	11
N Right to Family Life (1)-Providing Childcare Support and Benefits	0.56	12
M Forced Labor	0.49	13
I Freedom of Assembly and Association (2)-Ensuring Freedom of Assembly and Association	0.45	14
J Child Protection	0.28	15

According to the 2024 employee human rights due diligence survey, four human rights issues have been identified with medium risk. They are 1. User Privacy Protection, 2. Personal Freedom and Safety, 3. Health Right (1)-Providing Occupational Health and Safety Education and Training, and 4. Job Security and Fair Labor Conditions.

GCS will continue to conduct human rights risk assessments and implement preventive and mitigation measures to address these risks. Specifically, GCS will take targeted actions to mitigate these four medium-risk issues, including investigating complaints, annual and biennial trainings, and surveys, if needed, to better understand the results and further minimize potential impacts.



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## Human Rights Management Measures

Human Rights Issues	Mitigation Measures	Remedial Measures	2024 Execution Overview
Discrimination, Harassment and Retaliation Prevention	Establish clear reporting channels, and ensure prompt and effective responses to concerns, while fostering a culture of respect and inclusivity.	<ul style="list-style-type: none"> <li>• Bi-annual training for all employees.</li> <li>• Inform employees that harassment is prohibited; identify who employees should contact to discuss questions or concerns; assure employees that they will not be punished for asking questions or sharing their concerns.</li> </ul>	No instances were reported.
Fair and Reasonable Salaries, Benefits, and Working Conditions	Conduct regular market research, benchmark against industry standards, and consider factors like experience, skills, and location, while also promoting transparency and open communication about compensation practices.	<ul style="list-style-type: none"> <li>• Regular salary adjustments based on business objectives, individual performance. Compensation based on job title and pay range.</li> <li>• In general, good employee-retention, however, retiring employees and a small layoff caused higher turnover than previous years.</li> </ul>	No instances were reported.
Protection of Employee Information, Privacy and Security	Establish clear policies, restrict access, implement strong security measures like encryption and multi-factor authentication, and provide regular training to employees on data security best practices.	<ul style="list-style-type: none"> <li>• Our IT department has implemented annual training to ensure the safety of employees using company email.</li> </ul>	No incidents reported.
Employee Safety, Health, and Hygiene in the Workplace	Comply with standards, rules and regulations issued under the OSH Act. Examine workplace conditions to make sure they conform to applicable OSHA standards. Ensure employees have and use safe tools and equipment and properly maintain this equipment. Use color codes, posters, labels or signs to warn employees of potential hazards. Establish or update operating procedures and communicate them so that employees follow safety and health requirements.	<ul style="list-style-type: none"> <li>• Regular training and risk assessment is conducted on a regular basis.</li> <li>• New mothers are given extra time for lactation in a clean and private setting.</li> </ul>	Only one WC claim reported in 2024. Maternity return to work and retention rate was 100%.

## Guaranteeing a Safe Working Environment

GCS is committed to providing a safe and respectful workplace where employees feel comfortable raising concerns. Our grievance mechanism is designed to ensure fairness, confidentiality, and non-retaliation. Employees can submit complaints to HR through multiple channels. Employees can submit complaints to HR by anonymous notice in the HR mail slot, send email, or directly speak to their supervisor or VP. Employees are assured of a prompt and impartial investigation. We have a clear process for handling grievances, with defined timelines for each stage. We are committed to providing appropriate remedies and following up to ensure issues are resolved. We regularly collect and analyze data on employee feedback and grievances to identify trends and improve our processes. We proactively communicate about the grievance mechanism and provide training to managers on handling employee concerns. We strive to foster a culture of open communication and trust, where employees feel empowered to speak up. No grievances were filed in 2024.

## Implementation Frequency and Content of Diverse Communication Management Channels

Item	Implementation Frequency	Description	2024 Implementation Results
Establish clear safety policies	Review policy annually and after any incident	Workplace Violence and Prevention Plan	100% of Employees received training. Zero incidents
Provide comprehensive training	At new hire orientation and on an annual basis	Mandatory online training is assigned at start of employment and every year thereafter	100% of new employees received training
Foster open communication	Continuously	Employees are encouraged to speak to HR, Safety Manager, and/or management about any concerns	No concerns were raised by any employee
Ensure proper equipment and maintenance.	Continuously	Onsite equipment is maintained on a continual and daily basis to ensure employee safety	Zero incidents or injuries reported regarding equipment or potential hazards



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## 3.4 Social Prosperity

As GCS continues to grow, we remain committed to corporate social responsibility (CSR), striving to give back to society, support underprivileged groups, and promote environmental sustainability. We believe that a company's true value is not only reflected in its business performance but also in its dedication and contributions to society.

We actively engage in social welfare initiatives, supporting education, medical resources, and environmental protection efforts to assist vulnerable communities. We also encourage employees to participate in volunteer services, fostering a culture of care and responsibility. Additionally, we are committed to energy conservation, carbon reduction, and green supply chain management, minimizing our environmental impact and driving sustainable development.

We are committed to supporting underprivileged groups, environmental protection, and student development. In 2024, total expenditure on social welfare initiatives exceeded US\$1,000.

### Community Social Welfare

In support of underprivileged children, GCS employees organized a successful toy drive for Toys for Tots in 2024, filling the box to capacity. These toys brought joy to children in the Los Angeles area during the holiday season.



St. Jude's



Continuing our support for children, the company proudly matched employee donations to St. Jude Children's Research Hospital, resulting in a total contribution of US\$2,000. These funds will support St. Jude's mission to advance cures and means of prevention for pediatric catastrophic diseases through research and treatment.





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We are dedicated to continuing our positive impact on society and the environment. GCS plans to implement projects in 2025 that align with Corporate Social Responsibility. The projects will focus on local charities, and are expected to benefit underprivileged children and families.

Core Service Areas	Projects	Action Plans	Service Impact
 SDG10 Reduced Inequalities	GCS will form a committee to organize a community project.	As part of its Corporate Social Responsibility (CSR) efforts, the company will actively participate in various social welfare initiatives aimed at improving the well-being of vulnerable groups. In 2025, the company will target local charities focused on education and healthcare programs that support underprivileged children and families.	Help to ensure that people can meet their basic needs.
		The company will organize a community support program, focused on providing food, clothing, and educational resources for vulnerable groups. Employees can actively participate in volunteer services, and the company may also provide funding to support local environmental and social welfare projects.	Foster stronger communities, improve quality of life, and promote individual growth, while also addressing social, economic, and environmental issues.
 SDG14 Life below Water	GCS will have the opportunity to participate in beach cleanup during the summer. Another option is a free boat ride to clean trash from the water in the Redondo Beach harbor.	GCS volunteers can participate in beach and ocean cleanup activities contributing to the protection of our local marine ecosystems.	Significantly reduce pollution, protect marine life, preserve ecosystems, and benefit coastal communities by removing debris.

# CH4



- 4.1 Climate Change Response (TCFD)
- 4.2 Energy Management
- 4.3 Water Resource Management
- 4.4 Waste Management



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## 4.1 Climate Change Response (TCFD)

The World Economic Forum's 2024 Global Risks Report identified climate change as one of the top four most critical threats to sustainable global development. As a responsible member of the global community, GCS is committed to long-term sustainability and integrates climate-related risks and mitigation strategies into our business operations. Our efforts include reducing greenhouse gas emissions from wafer fabrication, improving energy efficiency, recycling water resources, and minimizing waste generation, as part of our broader commitment to environmental responsibility.

### Governance

GCS has established a comprehensive sustainability governance structure that engages both the Board of Directors and the Sustainability Management Team. In response to the high uncertainty of climate and the rapid changes in policies and markets, the Company will convene senior executives from various departments on an irregular basis to identify significant climate risks and opportunities. Additionally, we further assess the potential risks of floods, droughts, typhoons, and high temperatures to each of our operational sites. This enables us to understand the external environmental climate changes and market dynamics more comprehensively, allowing for a more holistic consideration in our overall operational strategy planning.

To further strengthen execution, GCS established the Corporate Sustainability Team in November 2024. The Team serves as the central body for driving sustainability across the organization, with senior executives acting as key decision-makers and department heads as collaborative members. Its responsibilities include defining overarching sustainability strategies, monitoring performance outcomes, collaborating with relevant departments, and managing internal environmental budgets to support the company's sustainability initiatives.

### Environmental Expenditures

Item	NT\$ million
Wastewater Treatment Equipment Maintenance Costs	1.152
Waste Collection Costs	0.576
Waste Disposal Costs	5.312
Air Pollution Control Expenses	0.32
<b>Total</b>	<b>7.36</b>

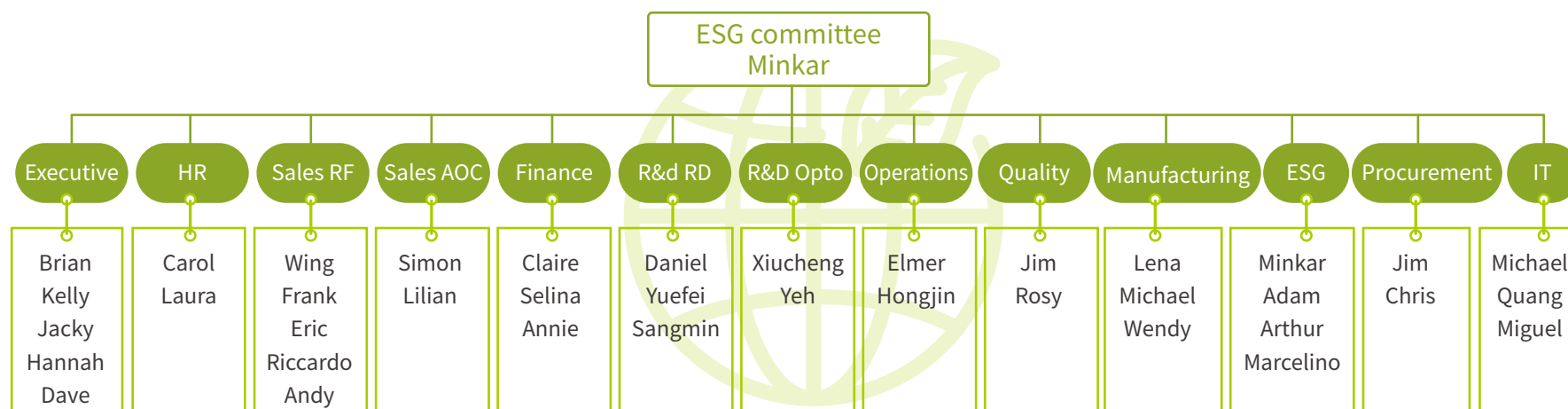


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## Sustainability Governance Structure



## Strategy

We integrate climate-related risks and opportunities into our core operations as part of our strategic planning. By addressing the challenges of climate change, we aim to capture emerging opportunities in a rapidly evolving market, strengthen organizational resilience, and ensure long-term sustainable development.

These risks include transition risks, such as regulatory changes, and physical risks, including extreme weather events. In our decision-making process, we prioritize risks based on their potential financial impact and likelihood of occurrence. We continually assess emerging risks and adjust our strategies as needed to enhance business resilience and effectively mitigate financial exposure.

Proactively managing these risks enables us to remain agile in a changing climate landscape and better position the organization for future success.

## Risk and Management

To ensure comprehensive identification and assessment of climate risks, we conduct regular risk assessments that integrate insights from internal experts and external specialists. These assessments help identify potential climate-related risks and evaluate their potential impact on our business operations. The results serve as a key foundation for developing our response strategies.

We have established concrete response measures, including climate risk action plans, and ensure these actions are aligned with the company's overall business strategy and long-term objectives. The Board of Directors and senior management are responsible for overseeing the progress of risk management and ensuring that our strategies remain adaptable to evolving market and climate challenges.

To enhance transparency and effectiveness, we have implemented a regular reporting mechanism that incorporates climate risk management outcomes into our annual sustainability report and enables ongoing monitoring of implementation performance. Through these efforts, we can adjust our strategies in a timely manner and mitigate the potential adverse impacts of climate risks on our future development.

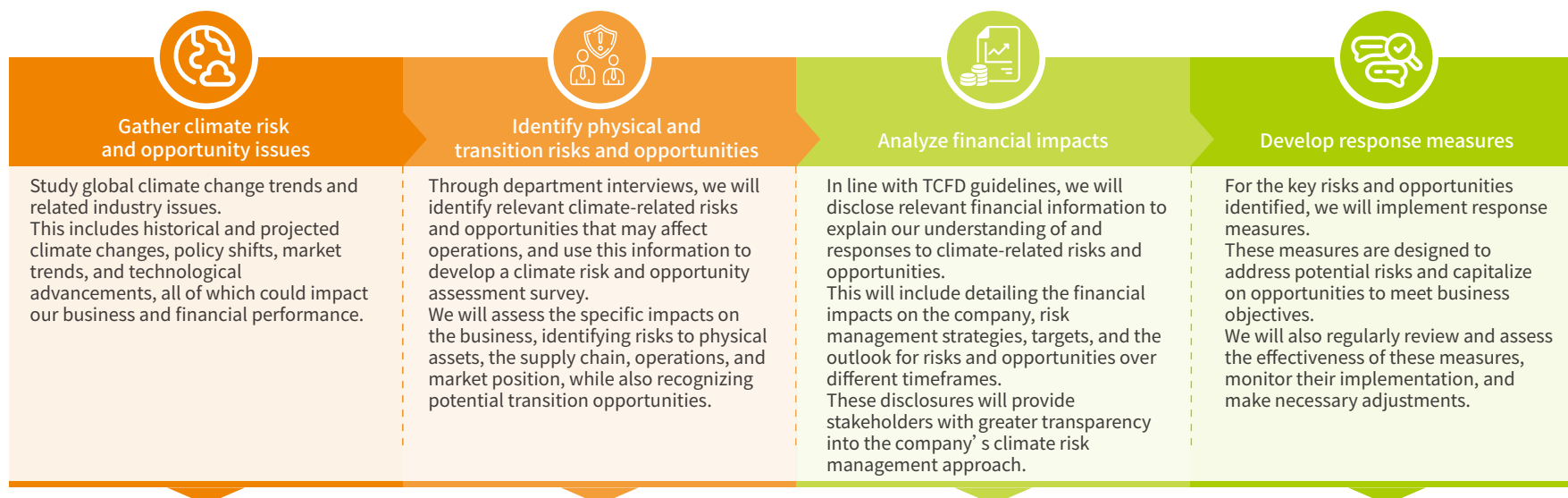


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## Climate-Related Risk and Opportunity Identification Process



Financial Impact Level	Likelihood of Occurrence				
	Almost Certain (5 points)	Very Likely (4 points)	Likely (3 points)	Unlikely (2 points)	Almost Never (1 point)
	Will Definitely Happen	May Happen Multiple Times in 10 Years	May Happen More Than Once in 10 Years	Has Not Happened in 10 Years	Has Never Happened
High (5 points)					3 4
Medium-High (4 points)					
Medium (3 points)					
Medium-Low (2 points)			2		
Low (1 point)		1		5 6	

- **15–25 points:** Significant Risk/Opportunity (Red)
- **6–14 points:** Moderate Risk/Opportunity (Blue)
- **1–5 points:** Low Risk/Opportunity (Green)



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Type	Risk / Opportunity Item	Potential Financial Impact	Likelihood of Occurrence (score from 1-5)	Financial Impact Level (score from 1-5)	Action Plans / Response Measures		
					Short-term (within 1 year)	Medium-term (1 to 3 years)	Long-term (more than 3 years)
Transition Risk ①	<b>Policy and Legal Risk</b> As renewable energy usage regulations become more stringent, failing to comply with procurement or usage requirements could result in penalties and compliance risks.	<ul style="list-style-type: none"> <li>Incurring penalties and administrative costs.</li> <li>Increased procurement costs for renewable energy and transformation expenses.</li> </ul>	4	1	Explore renewable energy	Participate in upcoming renewable energy programs, with a goal of sourcing 5% of our energy consumption from renewables within the next three years.	Purchase renewable energy certificates to fulfill sustainability goals.
Transition Risk ②	<b>Policy and Legal Risk</b> With increasingly stringent GHG regulations, exceeding emission limits may lead to penalties or the loss of policy incentives.	<ul style="list-style-type: none"> <li>Increased carbon penalties and compliance costs.</li> <li>Higher operational costs (e.g., emission reporting and audit fees).</li> <li>Reputation damage impacting customer relationships and future revenue.</li> </ul>	3	1	<ul style="list-style-type: none"> <li>Review equipment settings to reduce unnecessary PFC gas use; target 15% process efficiency improvement.</li> <li>Evaluate PECVD and plasma tool parameters to minimize excessive gas flow or etching.</li> <li>Install at least two high-efficiency abatement scrubbers.</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing process optimization targeting a 35% improvement in efficiency.</li> <li>Continue expanding abatement scrubber coverage to reach 35% of operations.</li> </ul>	Purchase carbon credits/offsets.
Physical Risk ③	<b>Acute Risk</b> Drought conditions may disrupt the production of deionized water or affect the ability to maintain cleanroom humidity levels.	<ul style="list-style-type: none"> <li>Production disruptions and capacity loss, impacting revenue (potentially up to NTD 7.5 million per day).</li> <li>Increased costs for additional resource procurement.</li> </ul>	1	5	<ul style="list-style-type: none"> <li>Improve water efficiency by reducing water usage per wafer by 5%.</li> <li>Adopt water-saving protocols, installing the motion sensor faucet, to reduce unnecessary water use by 5%.</li> </ul>	Ensure sufficient inventory and tool uptime by maintaining at least 92% uptime for critical tools and equipment.	Invest in water recycling systems to achieve a 20% increase in water recycling rate.
Physical Risk ④	<b>Chronic Risk</b> Changes in rainfall patterns may lead to flooding, water quality issues, and commuting difficulties, directly impacting production operations and operational efficiency.	<ul style="list-style-type: none"> <li>Production disruptions and decreased operational efficiency.</li> <li>Revenue decline (potentially up to NTD 7.5 million per day, depending on the departments or areas with employee absenteeism).</li> </ul>	1	5	<ul style="list-style-type: none"> <li>Enhance flood protection by installing water barriers and ensuring unobstructed drainage systems.</li> <li>Reduce FAB downtime due to flooding by 1% through preventive measures and improved readiness.</li> </ul>	Ensure operational stability by maintaining sufficient inventory and achieving a minimum of 92% uptime for critical equipment.	Enhance the building's flood resilience by reinforcing the roof, doors, windows, and utilities.
Opportunity ⑤	<b>Resilience</b> In response to the net-zero emissions policy trend, the company is actively optimizing processes to enhance supply chain collaboration and strengthen operational resilience.	<ul style="list-style-type: none"> <li>Reduce operational costs.</li> <li>Increase customer orders and market share.</li> </ul>	2	1	Optimize manufacturing processes by incorporating automation and lean production techniques to improve operational flexibility and reduce disruptions.	Identify and collaborate with secondary suppliers for critical materials to ensure a diversified and resilient supply chain that supports uninterrupted production.	Implement redundancy across both upstream and downstream supply chains by diversifying suppliers and manufacturing locations, ensuring operational continuity.
Opportunity ⑥	<b>Resource Efficiency</b> The company is proactively adopting low-carbon technologies and process improvements to increase energy efficiency, reduce carbon emissions, and minimize resource consumption.	<ul style="list-style-type: none"> <li>Lower energy and raw material expenses.</li> <li>Improve manufacturing cost efficiency.</li> <li>Enhance market competitiveness.</li> </ul>	2	1	Analyze consumable material usage to identify savings opportunities, focusing on low-carbon materials.	Identify and test alternative materials that reduce carbon emissions.	Invest in R&D to develop low-carbon manufacturing technologies, targeting a 35% reduction in emissions.



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## Metrics and Targets

We recognize the importance of embedding climate-related risks and opportunities into our core business strategy. By addressing the impacts of climate change while seizing emerging opportunities in a fast-changing market, we aim to strengthen organizational resilience and support long-term sustainable growth.

As part of our ongoing commitment to sustainability, we plan to begin measuring and reporting Scope 3 emissions starting in 2027. This will cover upstream categories such as raw materials, chemicals, metals, and outsourcing partners. This proactive step reflects our commitment to expanding the scope of our environmental impact assessment and further enhancing our sustainability practices.

## Greenhouse Gas Emissions

(Unit: metric tons CO<sub>2</sub>e)

2024							
Location/GHG	CO <sub>2</sub>	CH <sub>4</sub>	N <sub>2</sub> O	HFCs	PFCs	SF <sub>6</sub>	Total
GCS Taiwan	7.9821	0.3308	0	0	0	0	8.3129
GCS USA	1,615.1277	0.0003	7.2513	524.6139	6,333.5852	736.2169	9,186.7953
Total	1,623.1098	0.3311	7.2513	524.6139	6,333.5852	736.2169	9,195.1082

## Sustainability Goals and Action Plans

GCS takes a proactive and transparent approach to engage with stakeholders, ensuring alignment on sustainability goals and ongoing progress.

Location/GHG	Scope 1	Scope 2	Total GHG Emissions
	Direct GHG Emissions	Energy Indirect GHG Emissions	
GCS Taiwan	0.3308	7.9821	8.3129
GCS USA	7,572.1807	1,614.6146	9,186.7953
Total GHG Emissions	7,572.5115	1,622.5967	9,195.1082
Revenue (NT\$ million)			1,750
Emissions Intensity(Total GHG Emissions/Revenue)			5.2543



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### Internal Workshops

We organize workshops for internal teams as needed to align them with the company's sustainability targets. These sessions are held periodically to keep the focus on our long-term sustainability objectives.

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### External Updates

We share regular updates on our sustainability efforts with external stakeholders, including customers, investors, and business partners. This keeps them informed about our achievements, challenges, and strategic direction.

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### Industry Forum Participation

We actively participate in industry forums and sustainability conferences to engage with professionals, exchange best practices, and gain insights from others in the field. This helps us stay up to date with the latest sustainability and climate risk management trends, while also sharing the progress of our own initiatives.

...

These actions ensure that we maintain an open, ongoing dialogue with all stakeholders, promoting collaboration, transparency, and mutual understanding. Our specific sustainability goals and action plans are outlined in the table below.

Indicator	Action Plan	Short-term Goal (2025-2028)	Mid-term Goal (2028-2030)	Long-term Goal (2030-2050)
Improve Power Usage Effectiveness (PUE)	<ul style="list-style-type: none"> <li>Monitor PUE monthly and conduct quarterly energy audits to identify and adjust strategies for improving efficiency.</li> <li>Retrofit lighting, HVAC systems, and other equipment with energy-efficient alternatives (including replacing ceiling lighting with LED fixtures).</li> <li>Improve energy efficiency through retrofits and transition to renewable energy sources for long-term sustainability.</li> </ul>	1.2%	5%	10%
Reduce Water Usage	<ul style="list-style-type: none"> <li>Implement water conservation initiatives and improve water management practices.</li> <li>Review and analyze water usage data quarterly to identify patterns and opportunities for further conservation efforts.</li> </ul>	15%	25%	35%
Reduce GHG Emissions	<ul style="list-style-type: none"> <li>Upgrade scrubbers to enhance the removal of most PFC gases.</li> <li>Review process recipes to identify opportunities for reducing PFC gas usage.</li> <li>Report GHG emissions annually to monitor and reduce the carbon footprint as part of sustainability efforts.</li> </ul>	15%	25%	35%
Join RE100	<ul style="list-style-type: none"> <li>Source renewable energy through available programs and on-site installations (e.g., solar panels on roofs and carports).</li> <li>Ongoing tracking and reporting of renewable energy procurement progress.</li> </ul>	5%	30%	100%



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## Air Pollution Control

Our air pollution policy ensures compliance with air quality regulations, promotes responsible management of abatement equipment through clearly defined roles and responsibilities, and guarantees effective air pollution control, operational safety, and regulatory compliance. No air pollution incidents were recorded in 2024.

Building on this policy, the company's air pollution reduction plan focuses on achievable measures such as upgrading existing filtration systems, optimizing production processes to minimize emissions, and gradually transitioning to cleaner energy sources. These efforts are supported by regular emissions monitoring and adherence to air quality standards. Through these measures, the company aims to achieve a 10% reduction in emissions over the next three years, while improving compliance with regulations and fostering positive relationships with the community. This plan reflects the company's commitment to sustainability and its ongoing effort to enhance air quality management.

### EHS Team

- Interpret air quality regulations, manage permits, and ensure compliance with reporting requirements.
- Maintain and update test and survey documentation.
- Conduct annual audits of engineering controls and procedures, collaborating with relevant teams and agencies.

### Facilities Team

- Operate and maintain pollution control equipment according to manufacturer specifications.
- Perform preventive maintenance and mandatory inspections in a timely manner.
- Train personnel on the safe and proper operation of equipment.
- Ensure equipment manuals are easily accessible and kept up to date.
- Notify the production team to halt operations in the event of equipment failure until repairs are completed.
- Inform EHS of any modifications to pollution control equipment (e.g., relocation, removal, or additions).

### Equipment Team

- Involve EHS in the planning of new equipment to ensure compliance with pollution control and permit requirements.
- Notify EHS of any equipment changes that may impact the pollution control systems.

## Ozone-Depleting Substances

(Unit: Tonnes CFC-11 eq)

Item	GCS USA		
	2022	2023	2024
Freon for HVAC, Chillers (from ACCO)	0.040823313	0.127005864	0.005896701

The data fluctuation from year to year is primarily due to our scheduled preventative maintenance (PM) approach. Freon is added only as needed during PM inspections, and in some cases, no additional Freon is required if system levels are sufficient.

It is important to note that Freon usage may vary from year to year. While 2024 showed a reduction, future usage such as in 2025 could increase depending on system demand, equipment performance, and PM findings.

## Air Pollutant Emissions

(Unit: KG)

Item	Description of the sources of pollution	GCS USA		
		2022	2023	2024
NOx	Primarily generated from diesel consumption.	1.2	1.2	1.2

We comply with all applicable regulations. We have not experienced any major disruptions requiring the use of our diesel generator. The only time the generator has been operated is during the scheduled monthly preventative maintenance (PM) checks, which are brief and accounted for in our permitted emissions limits. Moving forward, we will record the odometer to calculate the actual diesel consumable amount.



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## 4.2 Energy Management

At GCS, we are committed to managing energy consumption responsibly to minimize our environmental impact while enhancing operational efficiency. Our energy use primarily comes from purchased electricity and diesel, and we focus on reducing diesel consumption, reserving it for emergency situations and critical operations only.

To ensure efficient energy management, we follow a well-established Energy Management System (EMS), which supports ongoing monitoring, control, and optimization of energy usage across all our operations. We track electricity consumption monthly and investigate any significant deviations from expected patterns. Furthermore, all new equipment undergoes an energy usage evaluation during the procurement process to ensure we are investing in the most energy-efficient technologies available.

In 2024, despite continued revenue growth and business expansion, our total energy consumption remained stable. Meanwhile, our energy intensity decreased by 22.64% compared to the 2022 baseline year. This reflects our success in improving energy efficiency while increasing productivity, and demonstrates our ongoing commitment to sustainable development.

Looking ahead, we plan to integrate renewable energy sources into our operations to further reduce our environmental footprint and drive sustainability. Although we currently do not use renewable energy, we are actively exploring opportunities to incorporate it into our long-term energy strategy.

Additionally, all new equipment purchases undergo an energy usage evaluation during the procurement process, ensuring that we invest in energy-efficient technologies. We also engage our employees in energy conservation through awareness programs and training initiatives, encouraging responsible energy use across the organization.

### Energy Consumption Statistics

(Unit: GJ)

Energy Type/Year		2022	Percentage (%)	2023	Percentage (%)	2024	Percentage (%)
Non-Renewable	Purchased Electricity	47,683.39	100%	46,795.72	99.95%	28,018.72	99.97%
	Diesel	-	0%	21.39	0.05%	3.99	0.02%
	Propane	-	-	-	-	3.34	0.01%
Total Non-Renewable		47,683.39	100%	46,817.11	100%	28,026.05	100%
Revenue (NT\$ million)		1,334		1,351		1,750	
Energy Intensity (Total Non-Renewable/Revenue)		35.74		34.65		16.01	

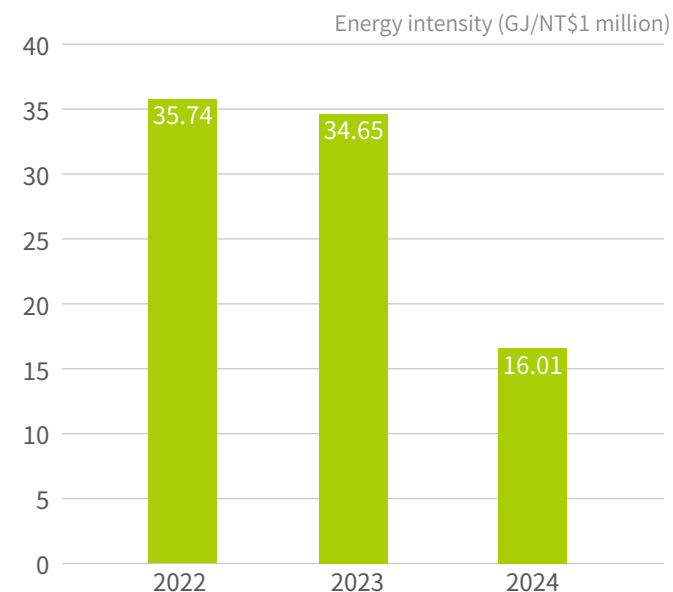
Note 1: The energy consumption data is based on the electricity consumption figures from the utility bills, with no estimates included.

Note 2: The heating value conversion factor is sourced from the Ministry of Economic Affairs' Energy Bureau 2016 Energy Statistics Yearbook (published on June 30, 2017).

Note 3: The scope covers GCS operations in Taiwan office and the United States.

Note 4: Diesel was used to power the generator during power outages, providing electricity for emergency lighting and critical equipment.

### GCS energy intensity





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## Energy Conservation Measures & Results

We remain committed to reducing our energy consumption through a series of targeted and measurable actions. Our goal is to achieve a 5% reduction in total energy use by the end of 2025, compared to the 2022 baseline year. These efforts are closely aligned with our long-term sustainability strategy and are driving continued improvements in energy efficiency across our operations.

On the product side, we design transistors and diodes to meet a wide range of customer requirements in terms of performance and application. For transistors, our unit devices are integrated into customer layouts to form large transistors or MMICs. For diodes, our chips are packaged into proprietary modules by customers. The actual energy performance of these components depends on both their built-in efficiency and how they are incorporated into the final product design.

Through ongoing innovation and optimization, we are not only strengthening product competitiveness but also contributing to broader environmental goals.

In parallel with product innovation, we have also implemented a comprehensive energy efficiency strategy within our operations to drive further reductions in energy consumption. This includes the following actions and results:

Indicator	Actions and Results
Lighting Efficiency Improvement	Upgraded non-essential lighting to LED fixtures, resulting in a 5.92% reduction in lighting energy use.
Oven Temperature Control	Adjusted oven temperature settings during non-operational hours, reducing heating-related energy consumption by 17%.
Equipment Retrofitting and Upgrades	Completed upgrades to selected lighting and HVAC systems, including replacement of ceiling lights with LED fixtures, improving energy performance.
Transition to Renewable Energy	Actively evaluating options such as from solar power plant, which has been incorporated into the mid- to long-term energy strategy.





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## 4.3 Water Resource Management

### Impact

Efficient water uses and recycling not only lower operational costs but also strengthen sustainability performance. However, water-intensive processes may pose risks during periods of scarcity or under stricter regulations, potentially affecting business continuity and reputation.

### Policy Commitment

We are committed to sustainable water management by optimizing usage, minimizing waste, and complying with all relevant regulations, including the Clean Water Act (CWA) and Safe Drinking Water Act (SDWA). Our approach includes improving water efficiency, expanding recycling efforts, and ensuring proper wastewater treatment to reduce environmental impact.

### Actions Taken

GCS has adopted a comprehensive approach to water resource management, including water-efficient equipment, advanced treatment processes, regular audits, and employee training. We also collaborate with suppliers and local authorities to promote responsible water use and help protect local water resources.

### Evaluation Mechanism

We monitor and evaluate water usage through the following measures, with oversight and support from the ESG and Technical Support departments:

- Monthly reviews of water consumption data.
- Annual audits of water systems.
- Tracking of percentage reductions in water use over time.
- Regular engagement and feedback from stakeholders.

### Objectives

#### Short-term goal

- Complete a comprehensive water audit within 3 months.
- Achieve a 2.7% reduction in water consumption (tons per wafer delivered, base year: 2022) through equipment optimization and water conservation initiatives—laying the groundwork for long-term sustainability.

#### Medium to long-term goal

- Fully comply with advanced wastewater treatment standards.
- Drive continued progress in water reuse, targeting the replacement of over 40% of total water consumption with reclaimed water by 2030.

### Performance Results

#### Short-Term

- Complete a comprehensive water audit within 3 months. **[Completed]**
- Reduce water usage by 2.7% (Base Year: 2022) **[Reduced water usage by 5%.]**

#### Medium-Term

- Achieve full compliance with advanced wastewater treatment standards. **[Wastewater treatment system meets standards.]**

#### Long-Term

- Replace over 40% of total water usage with reclaimed water by 2030. **[Current reclaimed water usage rate: 4%]**

### Stakeholder Consultation

We engage key stakeholders through regular meetings, surveys, and community outreach efforts, enabling timely responses and informed decisions. There were no major adverse events last year, but we remain committed to transparent communication to manage future risks.



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## Water Resource Management

Extreme weather events—such as prolonged droughts, severe floods, and rising sea levels—are placing growing pressure on global water systems. In response, GCS has made water resource management a key part of its sustainability strategy.

Based on a water risk assessment using the Aqueduct tool by the World Resources Institute (WRI), Taiwan is categorized as a low to moderate risk region, while California is identified as high-risk. In 2024, our total water withdrawal from public sources is projected to be 12.07 megaliters, primarily sourced from third-party providers.

With our primary operations located in a high water-stress region, we've prioritized water efficiency across our facilities. This includes deploying real-time monitoring systems, investing in water-saving technologies, and expanding wastewater recycling to reduce reliance on external supplies. We're also exploring alternative sources such as rainwater harvesting and reclaimed water to further strengthen water resilience.

These actions support our broader goals of reducing environmental impact, building operational resilience, and contributing to long-term sustainability in the communities where we operate.

## Water Usage Statistics

(Unit: Megaliters)

Sources/Year	2022		2023		2024		Water-Stressed Region		
	Total Amount	Percentage (%)	Total Amount	Percentage (%)	Total Amount	Percentage (%)	2022	2023	2024
Third-party Water	14.93	100%	11.99	100%	12.07	100%	14.71	11.76	11.82
Ground Water	-	-	-	-	-	-	-	-	-
Surface Water	-	-	-	-	-	-	-	-	-
Sea Water	-	-	-	-	-	-	-	-	-
Total Water Withdrawal	14.93	100%	11.99	100%	12.07	100%	14.71	11.76	11.82
Total Amount of Recycled and Reused Water	-	-	0.2	1.67%	0.39	-	-	0.2	0.39
Water Discharge	2.41	16.14%	2.41	20.10%	2.41	24.05%	2.41	2.41	2.41
Water Consumption	12.52	83.86%	9.58	79.90%	7.61	75.95%	12.3	9.35	9.02

Note 1: The data covers GCS operations in Taiwan office and the United States.

Note 2: The data for water-stressed region is specific to the United States.



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## Wastewater Management

We take a proactive approach to wastewater management, focusing on minimizing environmental impact and ensuring full regulatory compliance. Our aim is to continuously improve our ability to recycle and reuse wastewater, aligning our practices with industry standards and long-term sustainability goals. These wastewater management practices apply exclusively to our U.S. operations, where all manufacturing activities are located. As our Taiwan offices are limited to administrative functions, they do not generate process wastewater and therefore do not require such management systems.

Our internal policy emphasizes effective treatment while identifying opportunities to recover and reuse water wherever feasible. Core elements of this approach include:

Key Measure	Management Approach
Acid Waste Neutralization (AWN) System	<ul style="list-style-type: none"> <li>All industrial wastewater is treated through the AWN system to neutralize pH levels and remove contaminants before discharge.</li> <li>Regular monitoring ensures compliance with discharge limits.</li> </ul>
Recycling and Reuse Strategies	<ul style="list-style-type: none"> <li>Treated wastewater is evaluated for potential reuse in non-critical applications such as scrubber units, equipment rinsing, and facility maintenance.</li> <li>Ongoing efforts are being made to explore advanced filtration and purification technologies to expand reuse opportunities.</li> </ul>
Minimization of Wastewater Generation	<ul style="list-style-type: none"> <li>Processes are regularly reviewed to identify ways to reduce water usage.</li> <li>Employees are trained to adopt water-efficient practices during operations.</li> </ul>
Monitoring and Reporting	<ul style="list-style-type: none"> <li>Continuous monitoring of wastewater quality ensures compliance with regulatory standards.</li> <li>Regular reports are submitted to the Sanitation Districts of Los Angeles County and other relevant authorities.</li> </ul>
Infrastructure Maintenance	<ul style="list-style-type: none"> <li>The AWN system is maintained rigorously to ensure optimal performance.</li> <li>Equipment and pipelines are inspected routinely to prevent leaks and inefficiencies.</li> </ul>

We are committed to effectively managing wastewater and stormwater, ensuring full compliance with local and state regulations.

## Facility Wastewater

GCS USA operates under a discharge permit from the Los Angeles County Sanitation Districts and the City of Torrance, which allows the release of treated wastewater into the municipal sewer system. To maintain compliance, we prepare the necessary documentation, submit reports, and cooperate with regular inspections. Non-compliance may lead to permit revocation and suspension of industrial sewer services.

## Stormwater Discharge

Stormwater at our US facilities is managed under the Industrial General Permit (IGP), which regulates stormwater handling for industrial operations. Required compliance documents, such as the Stormwater Pollution Prevention Plan (SWPPP) and annual reports, are submitted via California's SMARTS system. All stormwater management practices are outlined in the SWPPP (Document No. EHS-401).

In addition to wastewater and stormwater management, we implement internal water conservation policies to reduce overall water usage across our facilities. These initiatives include the installation of water-saving equipment, regular water usage monitoring, and ongoing efforts to reduce water waste.



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## Water Testing Results

Testing Parameter	Standard Value	Actual Discharge Value
pH	6~9	6~9
Chemical Oxygen Demand (COD) (mg/L)	$\leq 500$	358
Biochemical Oxygen Demand (BOD) (mg/L)	$\leq 300$	-
Suspended Solids (SS) (mg/L)	$\leq 400$	25
Ammonia Nitrogen (NH <sub>3</sub> -N) (mg/L)	$\leq 45$	-
Total Phosphorus (TP) (mg/L)	$\leq 8$	-
Cationic Surfactants (mg/L)	$\leq 20$	-
Arsenic (As) (mg/L)	$\leq 20$	0.1205

Note: The water testing data presented reflects GCS's operations in California, USA. Since our Taiwan office does not conduct water quality testing, such data is not applicable to this location.

We partner with Environmental & Chemical Consulting, Inc. (ECC) to ensure the safe and responsible management of waste flammable liquids, supporting our commitment to environmental sustainability. ECC handles the profiling, collection, storage, and transportation of these materials to licensed treatment facilities. There, the waste is converted into alternative fuels that are later used in industrial applications such as cement kilns and power plants. All activities are conducted in full compliance with local, state, and federal regulations, providing GCS with reliable and sustainable waste management solutions.

ECC also manages the treatment of arsenic-containing wastewater generated from GCS's grinding operations. The wastewater is collected and transported to ECC's treatment facility, where it undergoes chemical processing to neutralize and remove arsenic. This is typically achieved through precipitation or coagulation, converting the arsenic into a stable, insoluble form. The treated water is tested to confirm it meets discharge standards, while the residual sludge is dewatered, stabilized, and safely transported to a licensed hazardous waste landfill. This process minimizes environmental impact and ensures that both treated water and waste byproducts are handled in accordance with all regulatory requirements.



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## 4.4 Waste Management

### Impact

Proper waste management reduces pollution, conserves resources, and improves public health. Improper disposal, however, harms the environment, poses health risks, and has economic impacts. Balancing these factors is crucial for sustainability.

### Policy Commitment

We are committed to managing waste responsibly and in compliance with regulations. All waste, including hazardous and general waste, will be properly classified and disposed of. Compliance will be monitored through audits, and documentation maintained.

### Actions Taken

- Optimizing manufacturing processes.
- Reducing scrap and out-of-spec products.
- Monitoring production to identify waste reduction opportunities.
- Recycling and reusing materials.
- Fostering a culture of sustainability among employees.

### Evaluation Mechanism

- Monitor key metrics like recycling rates, waste diversion, and landfill reduction.
- Conduct regular audits and track data from waste management facilities, with the Environmental, Health and Safety Department along with the Facilities Department responsible for the evaluation.
- Review progress quarterly for short-term goals, and annually for medium- and long-term goals.

### Objectives

#### Short-term goal

- Increase recycling rates by 10%.
- Reduce landfill waste by 5%.
- Improve waste diversion through better sorting and streamlined processes.
- Enhance recycling participation via targeted programs and local engagement.

#### Medium to long-term goal

- Reduce landfill waste by 30% over the next 5 years.
- Achieve a 50% recycling rate by the end of the decade.
- Implement zero-waste programs as part of waste reduction initiatives.
- Expand public-private partnerships to improve waste management infrastructure.
- Invest in advanced recycling technologies and improve processing facilities.

### Performance Results

In 2024, although we had not yet established specific and measurable waste reduction targets, our total waste generation remained consistent with 2023 levels, showing no significant changes. Looking ahead, we will continue to enhance our waste management practices and strengthen reduction measures, gradually moving toward more sustainable resource utilization goals.

### Stakeholder Consultation

In the past year, there were no significant incidents related to waste management. However, we remain committed to transparent communication and proactive measures to address potential risks in the future, including:

- Regularly gathering community feedback on waste management efforts.
- Conducting periodic stakeholder interviews to evaluate the effectiveness of partnerships and initiatives.



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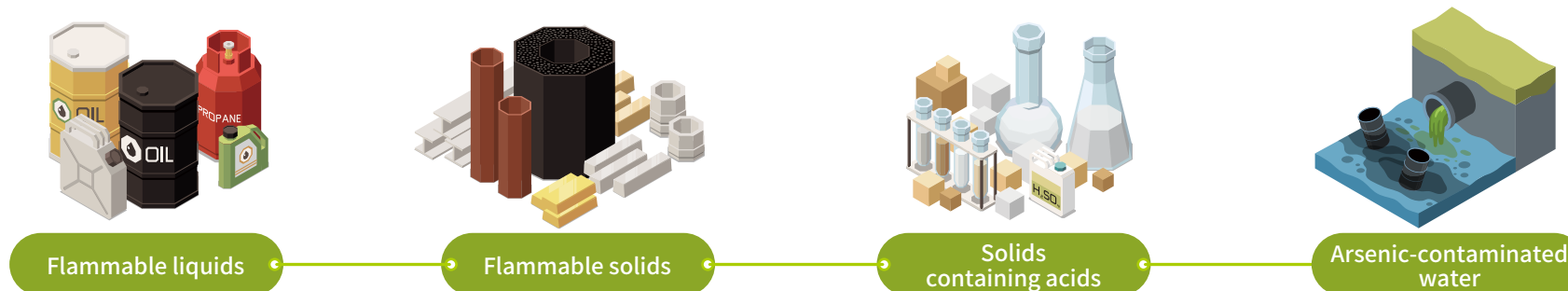
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## Waste Management

GCS prioritizes optimizing waste management by enhancing recycling, reducing waste generation, and ensuring full compliance with regulatory standards. We focus on effective segregation and proper disposal of both hazardous and non-hazardous waste, working with certified third-party vendors to ensure all waste is managed according to regulations.

Our primary hazardous waste streams include:



In addition, we occasionally generate miscellaneous waste, such as expired materials.

To improve our waste management, we are targeting a 50% reduction in arsenic waste through better process separation and waste segregation practices.

To maintain compliance, we require vendors to provide documentation, including waste manifests and disposal certificates. Regular audits and performance reviews are conducted to ensure adherence to both contractual and legal obligations. Moreover, waste-related data, such as types, quantities, and disposal methods, will be tracked through a centralized system, ensuring accurate reporting, continuous monitoring, and regular reviews for identifying improvement opportunities. This approach ensures ongoing compliance with environmental regulations.

## Waste Classification and Treatment Statistics

(Unit: Metric ton)

Other Waste Composition	2022	2023	2024
General Waste	58.97	58.97	59.39
Paper Waste	47.17	47.17	47.17
Industrial Waste	86.48	108.91	99.27
<b>Total Amount (Metric ton)</b>	<b>192.62</b>	<b>215.05</b>	<b>205.83</b>

Note: Hazardous waste is classified under the industrial waste section and includes flammable liquids, flammable solids, solids containing acids, and arsenic-contaminated water.



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## Waste data in the past three years

(Unit: Metric ton)

Year			2022		2023		2024	
Type	Area	Operation (Recovery / Disposal)	Amount (Metric ton)	%	Amount (Metric ton)	%	Amount (Metric ton)	%
Hazardous Waste	Offsite	Recycling	77.81	40.40%	86.90	40.41%	43.33	21.06%
	Offsite	Incineration (without Energy Recovery)	2.60	1.35%	0.38	0.18%	0	0.00%
	Offsite	Landfilling	1.51	0.78%	18.05	8.39%	52.19	25.36%
Total Hazardous Waste			81.92	42.53%	105.33	48.98%	95.52	46.41%
Non-Hazardous Waste	Onsite	Recycling	0.08	0.04%	1.59	0.74%	3.75	1.82%
	Offsite	Landfilling	4.48	2.33%	1.99	0.93%	0	0.00%
Total Non-hazardous Waste			4.56	2.37%	3.58	1.66%	3.75	1.82%
General Waste	Offsite	Recycling	47.17	24.49%	47.17	21.93%	47.17	22.92%
	Offsite	Landfilling	58.97	30.61%	58.97	27.42%	59.39	28.85%
Total General Industrial Waste			106.14	55.01%	106.14	49.36%	106.56	51.77%
Total Waste (Metric ton)			192.62		215.05		205.83	
Total Recycling (Metric ton)			125.06		135.66		94.66	
Recycling Rate (%)			64.93%		63.08%		45.99%	

Note 1: Recycling Rate (%) = Total Recycling/Total Waste\*100

Note 2: Data Coverage Scope: GCS operations in Taiwan office and the United States.

## Waste Reduction Achievements

Regarding waste reduction, GCS Holdings, Inc. maintained waste levels consistent with 2022 and 2023. Despite ongoing efforts to optimize processes and minimize waste, the total waste generated remained similar to the previous year. Looking ahead, we will continue refining our waste reduction strategies, identifying further improvement opportunities, and strengthening our recycling initiatives to reduce our environmental footprint.



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## GRI Standards Index

Statement of Use	GCS Holdings, Inc. has reported the content for the period from January 1, 2024, to December 31, 2024, in accordance with GRI Standards.
GRI 1 Used	GRI 1: Foundation 2021
Applicable GRI Sector Standards	No applicable GRI Sector Standards

GRI Standard	Disclosure Item	Disclosure Section/Notes	Page Number
GRI 2: General Disclosures 2021:			
Organization and Reporting Practices			
GRI 2: General Disclosures 2021:	2-1 Organizational Details	1.1 Basic Information	4
	2-2 Entities Included in the Organization's Sustainability Report	0.1 About the Report	1
	2-3 Reporting Period, Frequency, and Contact Person		1
	2-4 Information Restatement	NA	-
	2-5 External Assurance/Verification	0.1 About the Report Limited Assurance Report by the Accountant	1 ~ 100
Activities and Workers			
GRI 2: General Disclosures 2021:	2-6 Activities, Value Chain, and Other Business Relationships	1.1 Basic Information 2.3 Supply Chain Management	7 ~ 35
	2-7 Employees	3.1 Workplace Well-being	53
	2-8 Workers Who Are Not Employees		54



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Governance			
GRI 2: General Disclosures 2021:	2-9 Governance Structure and Composition	1.2 Governance Structure	10
	2-10 Nomination and Selection of the Highest Governance Body		11
	2-11 Chair of the Highest Governance Body		11
	2-12 Role of the Highest Governance Body in Overseeing Impact Management	1.3 Sustainable Governance	18
	2-13 Delegation of Responsibility for Impact Management		18
	2-14 Role of the Highest Governance Body in Sustainability Reporting		18
	2-15 Conflict of Interest	1.2 Governance Structure	15
	2-16 Communication of Critical Concerns	1.3 Sustainable Governance	19
	2-17 Collective Knowledge of the Highest Governance Body	1.2 Governance Structure	14
	2-18 Evaluation of the Performance of the Highest Governance Body		14
	2-19 Remuneration Policies	1.2 Governance Structure	16
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	2-23 Policy Commitment	3.3 Human Rights Protection	70
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	2-25 Mechanisms for Seeking Advice and Raising Concerns	1.5 Stakeholder Engagement and Responses	24
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	2-27 Compliance with Laws and Regulations	2.1 Compliance and Integrity Management	28
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Stakeholder Engagement.			
GRI 2: General Disclosures 2021:	2-29 Approach to Stakeholder Engagement	1.5 Stakeholder Engagement and Responses	23
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GRI 3: Material Topics 2021			
GRI 3: Material Topics 2021	3-1 Process for Determining Material Topics	1.6 Determination of Material Topics	25
	3-2 List of Material Topics		25
Supply Chain Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.3 Supply Chain Management	34
GRI 204: Procurement Practices 2016	204-1 Proportion of Spending on Local Suppliers		35
GRI 308: Supplier Social Assessment 2016	308-1 New Suppliers That Were Screened Using Environmental Criteria		36
	308-2 Negative Environmental Impacts in the Supply Chain and Actions Taken		36
GRI 414: Supplier Social Assessment 2016	414-1 New Suppliers That Were Screened Using Social Criteria		36
	414-2 Negative Social Impacts in the Supply Chain and Actions Taken		36
Product Quality and Safety			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.5 Product Quality and Safety	39
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the Health and Safety Impacts of Product and Service Categories		43
	416-2 Incidents of Non-compliance Concerning the Health and Safety Impacts of Products and Services		43
GRI 417: Marketing and Labeling 2016	417-1 Requirements for Product and Service Information and Labeling		43
	417-2 Incidents of Non-compliance Concerning Product and Service Information and Labeling		43
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Innovation and Research & Development			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.6 Product Innovation and Development	44
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GRI 3: Material Topics 2021	3-3 Management of Material Topics	2.4 Customer Relationship Management	37
GRI 418: Customer Privacy 2016	418-1 Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data		38
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GRI 3: Material Topics 2021	3-3 Management of Material Topics	3.1 Workplace Well-being	52 、 57
GRI 401: Employment 2016	401-1 New Employee Hires and Employee Turnover		54
	401-2 Benefits Provided to Full-time Employees That Are Not Provided to Temporary or Part-time Employees		56
	401-3 Parental Leave		56
GRI 402: Labor-Management Relations 2016	402-1 Minimum Notice Periods Regarding Operational Changes		56
GRI 404: Training and Education 2016	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs		58
	404-3 Percentage of Employees Receiving Regular Performance and Career Development Reviews		58
	404-2 Programs for Upgrading Employee Skills and Transition Assistance Programs		59
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of Governance Bodies and Employees		54
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GRI 403: Occupational Health and Safety 2018	403-1 Occupational Health and Safety Management System		62
	403-2 Hazard Identification, Risk Assessment, and Incident Investigation		62
	403-3 Occupational Health Services		68
	403-4 Worker Participation, Consultation, and Communication on Occupational Health and Safety		64
	403-5 Worker Training on Occupational Health and Safety		64
	403-6 Promotion of Worker Health		69
	403-7 Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships	2.3 Supply Chain Management 3.2 Occupational Safety and Health	35 、 65
	403-8 Workers Covered by an Occupational Health and Safety Management System	3.2 Occupational Safety and Health	62
	403-9 Work-related Injuries		67
	403-10 Work-related Ill Health		67



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Climate Change Response			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.1 Climate Change Response (TCFD)	76
GRI 201: Economic Performance 2016	201-2 Financial Implications and Other Risks and Opportunities Due to Climate Change		78
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions 9		80
	305-2 Energy indirect (Scope 2) GHG emissions 11		80
	305-3 Other indirect (Scope 3) GHG emissions 13		80
	305-4 GHG emissions intensity 16		80
	305-5 Reduction of GHG emissions 17		80
	305-6 Emissions of ozone-depleting substances (ODS) 19		80
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant		80
Water Resource Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.3 Water Resource Management	85
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		86
	303-2 Management of water discharge-related impacts		86
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Waste Management			
GRI 3: Material Topics 2021	3-3 Management of Material Topics	4.4 Waste Management	89
GRI 306: Effluents and Waste 2016	306-1 Water discharge by quality and destination		90
	306-2 Waste by type and disposal method		90
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GRI 201: Economic Performance 2016	201-1 Direct Economic Value Generated and Distributed	1.4 Operational Performance	20
GRI 201: Economic Performance 2016	201-4 Financial Assistance Received from Government		21
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy Management	83
	302-2 Energy consumption outside of the organization		83
	302-3 Energy intensity		83
	302-4 Reduction of energy consumption		84
	302-5 Reductions in energy requirements of products and services		84



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Disclosure Topic	Code	Corresponding Metric	Measurement Unit	Description/Corresponding Section
Greenhouse Gas Emissions	TC-SC-110a.1	<ul style="list-style-type: none"> <li>Gross global Scope 1 emissions</li> <li>Number of total emissions from perfluorinated compounds</li> </ul>	Metric tonnes(t) CO <sub>2</sub> e	<ul style="list-style-type: none"> <li>7,572.5115 CO<sub>2</sub>e</li> <li>N/A</li> </ul>
	TC-SC-110a.2	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	N/A	<ul style="list-style-type: none"> <li>Upgrade scrubbers to improve the abating of most PFC gases.</li> <li>Review process recipes to look for opportunity of reducing PFC gases usage.</li> </ul>
Energy Management in Manufacturing	TC-SC-130a.1	<ul style="list-style-type: none"> <li>Total energy consumed,</li> <li>Percentage grid electricity and</li> <li>Percentage renewable</li> </ul>	Gigajoules(GJ), Percentage (%)	<ul style="list-style-type: none"> <li>28026.05 GJ</li> <li>99.97%</li> <li>0%</li> </ul>
Water Management	TC-SC-140a.1	<ul style="list-style-type: none"> <li>Total water withdrawn,</li> <li>Total water consumed; percentage of each in regions with High or Extremely High Baseline Water Stress</li> </ul>	Thousand Cubic metres (m <sup>3</sup> ), Percentage(%)	<ul style="list-style-type: none"> <li>12.07 m<sup>3</sup></li> <li>11.82 m<sup>3</sup> ; 97.93%</li> </ul>
Waste Management	TC-SC-150a.1	<ul style="list-style-type: none"> <li>Amount of hazardous waste from manufacturing,</li> <li>Percentage recycled</li> </ul>	Metric tonnes (t), Percentage(%)	<ul style="list-style-type: none"> <li>95.52 t</li> <li>45.99%</li> </ul>
Workforce Health & Safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of workforce to human health hazards	N/A	3.2 Occupational Safety and Health
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Presentation currency	GCS has incurred no monetary losses from legal proceedings related to employee health and safety violations.
Recruiting & Managing a Global & Skilled Workforce	TC-SC-330a.1	Percentage of employees that require a work visa	Percentage(%)	3.18% Total Employees: 157 Employees Requiring Work Visa: 5



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Disclosure Topic	Code	Corresponding Metric	Measurement Unit	Description/Corresponding Section
Product Lifecycle Management	TC-SC-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage(%)	GCS complies with the following applicable product regulations: California Prop 65 Lead, EU REACH, EU RoHS and Montreal Protocol. In 2025, GCS will develop a plan to define the percentage or products, if any, that contain IEC 62474 declarable substances.
	TC-SC-410a.2	<ul style="list-style-type: none"> <li>Processor energy efficiency at a system level for: servers</li> <li>Desktops and laptops</li> </ul>	Various, by product category	GCS is a foundry and not an end product manufacturer, and hence there is no applicable content.
Materials Sourcing	TC-SC-440a.1	Description of the management of risks associated with the use of critical materials	n/a	GCS is currently defining the list of critical materials utilized in our manufacturing process. In 2025, a plan will be rolled out for the managing the risks associated with the defined critical materials.
Intellectual Property Protection & Competitive Behavior	TC-SC-520a.1	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Presentation currency	0

Code	Activity Metrics	Measurement Unit	Description/Index Section
TC-SC-000.A	Total production	Quantitative	5,519 wafers
TC-SC-000.B	Percentage of production from owned facilities	Percentage (%)	100%



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# Limited Assurance Report by the Accountant



國嘉浩華聯合會計師事務所  
Crowe (TW) CPAs  
105405 台北市松山區  
敦化北路 122 號 7 樓  
8F, No. 122, Dunhua N. Rd.,  
Songshan Dist.,  
Taipei City 105405, Taiwan  
Tel +886 2 87705181  
Fax +886 2 87705191  
[www.crowe.tw](http://www.crowe.tw)

## INDEPENDENT AUDITORS' LIMITED ASSURANCE REPORT

GCS Holdings, Inc.,

We have undertaken a limited assurance engagement on the selected performance indicators in the Sustainability Report of GCS Holdings, Inc., ("the Company") for the year ended December 31, 2024.

### Subject Matter Information and Applicable Criteria

See Appendix 1 for the Company's selected performance indicators ("the Subject Matter Information") and applicable criteria.

### Management's Responsibilities

The management of the Company is responsible for the preparation of the Subject Matter Information in accordance with Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies, Universal Standards, and Topic Standards published by the Global Reporting Initiative (GRI), and for such internal control as management determines is necessary to enable the preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

### Auditors' Responsibilities

Our responsibility is to plan and perform a limited assurance engagement in accordance with Assurance Standard No. 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" to issue a limited assurance report on whether the Subject Matter Information (see Appendix 1) is free from material misstatement. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement and, therefore, a lower assurance level is obtained than a reasonable assurance.

We based on our professional judgment in the planning and conducting of our work to obtain evidence supporting the limited assurance. Because of the inherent limitations of any internal control, there is an unavoidable risk that even some material misstatements may remain undetected. The procedures we performed include, but not limited to:

- Inquiring of management and the personnel responsible for the Subject Matter Information to obtain an understanding of the policies, procedures, internal control, and information system relevant to the Subject Matter Information to identify areas where a material misstatement of the Subject Matter Information is likely to arise.
- Selecting sample items from the Subject Matter Information and performing procedures such as inspection, re-calculation, re-performance, observation, and analytical procedures to obtain evidence supporting limited assurance.

### Inherent Limitations

The Subject Matter Information involved non-financial information, which was subject to more inherent limitations than financial information. The information may involve significant judgment, assumption and interpretations by the management, and the different stakeholders may have different interpretations of such information.

### Independence and Quality Management

We and the affiliated accounting firm have complied with the provisions regarding independence and other ethical standards as stipulated in the Code of Ethics for Professional Accountants and other applicable ethical standards. The fundamental principles of this code include integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

The firm applies the Quality Management Standards No. 1, "Quality Management for Firms that Perform Audits and Reviews of Financial Statements or Other Assurance and Related Services Engagements." This standard require the firm to design, implement, and operate a system of quality management, including policies and procedures related to compliance with ethical requirements, professional standards, and applicable laws and regulations.



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### Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information is not prepared, in all material respects, in accordance with the applicable criteria.

### Other Matters

We shall not be responsible for conducting any further assurance work for any change of the Subject Matter Information or the applicable criteria after the issuance date of this report.

The engagement partner on the assurance resulting in this independent limited assurance report is Lin, Pin Yen.

Crowe (TW) CPAs

Taipei, Taiwan (Republic of China)

August 6, 2025

#### Notice to Readers

*For the convenience of readers and for information purpose only, the independent auditors' limited assurance report has been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language independent auditors' limited assurance report shall prevail.*

### APPENDIX 1

#### SUMMARY OF SUBJECT MATTER INFORMATION

#	Subject Matter Information	Corresponding Section	Applicable Criteria
1	(1) Total energy consumption in 2024: 28,026.05 GJ. (2) Percentage of purchased electricity: 99.97%.	4.2 Energy Management	Total energy consumption, percentage of purchased electricity.
2	Total water withdrawn in 2024: 12.07 million liters (million L)	4.3 Water Management	Total water withdrawn
3	The total amount of hazardous waste generated during product manufacturing that are voluntarily disclosed in 2024 is 95.52 metric tons.	4.5 Waste Management	The total amount of hazardous waste generated during the product manufacturing process, as required by law or voluntarily disclosed.
4	(1) Number of employees in occupational accidents: 1. (2) Rate of occupational accidents: 0.60 cases per 200,000 working hours.	3.2 Occupational Safety and Health	Number of employees in and rate of occupational accidents.
5	Suppliers must ensure that critical minerals used in their products (such as gold, tantalum, tungsten, tin, cobalt, and mica) are traceable and do not originate from conflict-affected or high-risk areas. GCS regularly reassesses mineral sources through industry resources and internal systems, and requires suppliers to submit a Conflict Minerals Report annually using the latest version of the RMI (Responsible Minerals Initiative) and submit the Conflict Minerals Report.	2.3 Supply Chain Management	Description of the management of risks associated with the use of critical materials



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#	Subject Matter Information	Corresponding Section	Applicable Criteria
6	In 2024, there were no legal proceedings for violations of anti-competitive behavior regulations, and the total loss amounted to \$0.	2.1 Regulatory Compliance and Ethical Business Practices, SASB Index Table	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations.
7	A total of 5,519 wafers were delivered to customers in 2024.	SASB Index Table	Production by product category